

**CENTRAL TEXAS FOOD BANK, INC.,
CENTRAL TEXAS FOOD BANK FOUNDATION,
and CAFB OF TX SUPPORT CORPORATION
(nonprofit organizations)
FINANCIAL STATEMENTS
and Other Financial Information
September 30, 2018 and 2017**

**WITH
INDEPENDENT AUDITORS' REPORT**

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BASIC FINANCIAL STATEMENTS



Independent Auditors' Report

To the Board of Directors of
Central Texas Food Bank, Inc.,
Central Texas Food Bank Foundation, and
CAFB of TX Support Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Central Texas Food Bank, Inc., Central Texas Food Bank Foundation, and CAFB of TX Support Corporation (all nonprofit organizations) which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Texas Food Bank, Inc., Central Texas Food Bank Foundation, and CAFB of TX Support Corporation as of September 30, 2018 and 2017, and the changes in their financial position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Other Information

Our audits were conducted for the purpose of forming opinions on the basic consolidated financial statements as a whole. The accompanying consolidating schedules of financial position on page 23 and activities and changes in net assets by fund on page 25 are presented for purposes of additional analysis and are not required parts of the basic consolidated financial statements. The accompanying schedule of expenditures of federal awards on page 27 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements.

The consolidating schedules of financial position and activities and changes in net assets by fund and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2019, on our consideration of Central Texas Food Bank, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Texas Food Bank, Inc.'s internal control over financial reporting and compliance.



Austin, Texas
February 11, 2019

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2018 AND 2017**

ASSETS	2018	2017
Cash and Cash Equivalents	\$ 2,502,768	\$ 4,269,908
Investments	6,317,758	5,983,628
Accounts Receivable	924,211	512,017
Food Inventory Held for Distribution	1,868,517	4,250,519
Purchased Food Inventory	205,026	96,094
Prepaid Expenses	137,716	56,946
Pledges Receivable - Capital Campaign	42,868	137,099
Property and Equipment (Net of Accumulated Depreciation of \$3,846,736 and \$3,172,041, respectively)	24,106,527	24,371,045
Notes Receivable	12,745,100	12,745,100
TOTAL ASSETS	\$ 48,850,491	\$ 52,422,356
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 179,395	\$ 372,607
Accrued Liabilities	371,954	489,632
Deferred Revenue	201,702	62,500
Long-Term Debt	1,774,291	2,567,748
New Market Tax Credit Notes Payable	17,864,181	17,758,322
Total Liabilities	20,391,523	21,250,809
Net Assets:		
Unrestricted:		
Undesignated	15,274,179	4,029,969
Designated:		
For Future Food Distribution	1,868,517	4,250,519
For Property and Equipment	5,394,874	5,937,412
For Operating Reserve	3,122,160	2,882,196
For Capital Campaign	-	11,146,226
For CAFB Foundation	2,549,112	2,395,240
Total Unrestricted	28,208,842	30,641,562
Temporarily Restricted		
For Programs	99,032	378,891
Total Temporarily Restricted	99,032	378,891
Permanently Restricted		
Total Net Assets	28,458,968	31,171,547
TOTAL LIABILITIES AND NET ASSETS	\$ 48,850,491	\$ 52,422,356

The Notes to Consolidated Financial Statements are an integral part of these financial statements.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Donated Food Received for				
Distribution	\$ 78,334,907	\$ -	\$ -	\$ 78,334,907
Grants and Contracts	3,238,830	-	-	3,238,830
Contributions	8,463,215	1,616,358	-	10,079,573
Revenue:				
Program Service Fees	2,925,826	-	-	2,925,826
Investment Income	687,936	-	-	687,936
Other	121,278	-	-	121,278
	<u>93,771,992</u>	<u>1,616,358</u>	<u>-</u>	<u>95,388,350</u>
Net Assets Released from Restrictions	<u>1,896,217</u>	<u>(1,896,217)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	95,668,209	(279,859)	-	95,388,350
EXPENSES				
Program Services:				
Donated Food Program	94,293,068	-	-	94,293,068
Supporting Services:				
Management and General	1,579,692	-	-	1,579,692
Fund Raising	2,228,169	-	-	2,228,169
Total Expenses	<u>98,100,929</u>	<u>-</u>	<u>-</u>	<u>98,100,929</u>
Change in Net Assets	(2,432,720)	(279,859)	-	(2,712,579)
Net Assets at Beginning of Year	<u>30,641,562</u>	<u>378,891</u>	<u>151,094</u>	<u>31,171,547</u>
Net Assets at End of Year	<u>\$ 28,208,842</u>	<u>\$ 99,032</u>	<u>\$ 151,094</u>	<u>\$ 28,458,968</u>

The Notes to Consolidated Financial Statements are an integral part of these financial statements.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Donated Food Received for				
Distribution	\$76,537,860	\$ -	\$ -	\$76,537,860
Grants and Contracts	2,803,708	-	-	2,803,708
Contributions	7,851,064	1,909,587	-	9,760,651
Revenue:				
Program Service Fees	2,741,809	-	-	2,741,809
Investment Income	556,449	-	-	556,449
Other	124,271	-	-	124,271
	<u>90,615,161</u>	<u>1,909,587</u>	<u>-</u>	<u>92,524,748</u>
Net Assets Released from Restrictions	<u>1,644,202</u>	<u>(1,644,202)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	92,259,363	265,385	-	92,524,748
EXPENSES				
Program Services:				
Donated Food Program	86,049,214	-	-	86,049,214
Supporting Services:				
Management and General	1,453,024	-	-	1,453,024
Fund Raising	2,086,284	-	-	2,086,284
Total Expenses	<u>89,588,522</u>	<u>-</u>	<u>-</u>	<u>89,588,522</u>
Change in Net Assets	2,670,841	265,385	-	2,936,226
Net Assets at Beginning of Year	<u>27,970,721</u>	<u>113,506</u>	<u>151,094</u>	<u>28,235,321</u>
Net Assets at End of Year	<u>\$30,641,562</u>	<u>\$ 378,891</u>	<u>\$ 151,094</u>	<u>\$31,171,547</u>

The Notes to Consolidated Financial Statements are an integral part of these financial statements.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Donated Food Program	Supporting Services		Total
		Management and General	Fund Raising	
Donated Food Distributed to Others	\$ 77,581,875	\$ -	\$ -	\$ 77,581,875
Salaries and Related Expenses	5,105,043	1,122,494	1,105,726	7,333,263
Food Acquisitions	7,325,439	-	-	7,325,439
Fees for Service	17,680	96,518	816,688	930,886
Equipment Rent and Maintenance	782,706	13,347	59,913	855,966
Grants to Agencies	367,392	-	-	367,392
Occupancy	619,967	32,977	32,395	685,339
Mileage and Freight	502,675	-	-	502,675
Supplies	259,844	49,742	19,025	328,611
Insurance	202,048	21,244	4,436	227,728
Conferences and Meetings	140,758	39,932	41,122	221,812
Printing and Publication	19,027	1,590	79,680	100,297
Professional Fees	-	70,153	-	70,153
Telephone	50,351	2,797	2,797	55,945
Postage	581	2,809	31,942	35,332
Memberships	630	2,068	1,585	4,283
Miscellaneous	318	3,928	-	4,246
	<u>92,976,334</u>	<u>1,459,599</u>	<u>2,195,309</u>	<u>96,631,242</u>
Interest	394,582	63,336	10,960	468,878
Depreciation	<u>922,152</u>	<u>56,757</u>	<u>21,900</u>	<u>1,000,809</u>
TOTAL EXPENSES	<u><u>\$ 94,293,068</u></u>	<u><u>\$ 1,579,692</u></u>	<u><u>\$ 2,228,169</u></u>	<u><u>\$ 98,100,929</u></u>

The Notes to Consolidated Financial Statements are an integral part of these financial statements.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Donated Food Program	Supporting Services		Total
		Management and General	Fund Raising	
Donated Food Distributed to Others	\$ 74,304,278	\$ -	\$ -	\$ 74,304,278
Salaries and Related Expenses	4,360,646	1,013,460	1,064,453	6,438,559
Food Acquisitions	3,289,629	-	-	3,289,629
Fees for Service	15,259	87,133	738,666	841,058
Equipment Rent and Maintenance	585,529	10,496	54,278	650,303
Grants to Agencies	250,500	-	-	250,500
Occupancy	575,499	31,321	30,739	637,559
Mileage and Freight	720,286	-	-	720,286
Supplies	342,013	54,590	15,134	411,737
Insurance	172,022	15,290	4,043	191,355
Conferences and Meetings	114,942	32,231	45,697	192,870
Printing and Publication	9,865	13,705	67,393	90,963
Professional Fees	-	70,840	-	70,840
Telephone	36,937	2,052	2,052	41,041
Postage	523	2,371	24,477	27,371
Memberships	295	1,559	2,260	4,114
Miscellaneous	245	2,210	-	2,455
	<u>84,778,468</u>	<u>1,337,258</u>	<u>2,049,192</u>	<u>88,164,918</u>
Interest	382,455	60,287	10,624	453,366
Depreciation	<u>888,291</u>	<u>55,479</u>	<u>26,468</u>	<u>970,238</u>
TOTAL EXPENSES	<u><u>\$ 86,049,214</u></u>	<u><u>\$ 1,453,024</u></u>	<u><u>\$ 2,086,284</u></u>	<u><u>\$ 89,588,522</u></u>

The Notes to Consolidated Financial Statements are an integral part of these financial statements.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	2018	2017
Change in Net Assets	\$ (2,712,579)	\$ 2,936,226
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used by) Operating Activities:		
(Gain) Loss on Disposal of Property and Equipment	(5,500)	34,463
Depreciation	1,000,809	970,238
Amortization	105,859	105,859
Unrealized (Gain) Loss on Investments	(379,702)	(173,403)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(412,194)	(126,185)
Food Inventory	2,273,070	(2,352,079)
Prepaid Expenses	(80,770)	47,293
Pledges Receivable	94,231	104,593
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(193,212)	330,597
Accrued Liabilities	(117,678)	84,889
Deferred Revenue	139,202	1,090
Net Cash Provided by (Used by) Operating Activities	(288,464)	1,963,581
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Investments	(1,778,640)	(1,106,746)
Proceeds from Sale of Investments	1,824,212	46,409
Proceeds from Sale of Property and Equipment	5,497	8,504
Purchase of Property and Equipment	(736,288)	(1,077,908)
Net Cash Provided by (Used by) Investing Activities	(685,219)	(2,129,741)
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on Long-Term Debt	(793,457)	(293,457)
Net Cash Provided by (Used by) Financing Activities	(793,457)	(293,457)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,767,140)	(459,617)
Cash and Cash Equivalents at Beginning of Year	4,269,908	4,729,525
Cash and Cash Equivalents at End of Year	\$ 2,502,768	\$ 4,269,908
 <u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash Paid During the Year for:		
Interest	\$ 363,019	\$ 347,507
Federal Income Taxes	\$ -	\$ -

The Notes to Consolidated Financial Statements are an integral part of these financial statements.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization. Central Texas Food Bank, Inc. (the Food Bank), formerly the Capital Area Food Bank of Texas, Inc, is a Texas nonprofit corporation. The Food Bank accepts food donations and distributes it to various agencies and food insecure individuals.

The Central Texas Food Bank Foundation (the Foundation), formerly the Capital Area Food Bank Foundation, also a Texas nonprofit corporation, was created in January 2000 to provide a stable source of revenue to support the Food Bank's general program operations.

The CAFB of TX Support Corporation (the Support Corporation), also a Texas nonprofit corporation, was created in April 2015 and is organized and will be operated at all times exclusively for the benefit of the Food Bank. The Support Corporation constructed a new facility which it leases to the Food Bank.

The Food Bank raises funds through government grants and donations from organizations, businesses and individuals. A portion of the program costs is shared by the recipient agencies in correlation with the amount of food each agency receives. Funding is provided primarily by donated food received, public support, program fees, and grants and contracts.

Consolidated Financial Statements. The accompanying consolidated financial statements include the financial statements of the Food Bank, the Foundation, and the Support Corporation (collectively, the Organizations). The majority of the Foundation's Board of Directors is derived from the directors of the Food Bank's Board. The Support Corporation's Board of Directors is appointed by its sole member, the Food Bank. All significant inter-company transactions have been eliminated in the consolidated financial statements.

Basis of Presentation. The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Unrestricted net assets — Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets — Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organizations and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets — Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on any related investments for general or specific purposes. Permanently restricted net assets are invested in perpetuity. The income may be used to support the Organizations' general program operations, subject to the restrictions contained in the Foundation's organizational documents.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

Cash Equivalents. The Organizations consider all deposits held at financial institutions or brokerage houses that are subject to withdrawal by check and investments with an original maturity of three months or less to be cash equivalents.

Investments. Investments are recorded at fair value as of year-end. Unrealized gains and losses as well as all interest and dividends earned are included in the change in unrestricted net assets in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

Accounts Receivable. The Food Bank considers all recorded accounts and grants to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

Pledges Receivable. During 2018 and 2017, the Food Bank received multi-year pledges restricted for the Capital Campaign. The pledges were not discounted to present value as the total amount of the discount was immaterial. The Food Bank considers all pledges to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

Food Inventory. The Food Bank acts as an agent for the donors of food, distributing it to various agencies. Donated food inventory on-hand at September 30, 2018 and 2017, is recorded in the financial statements at an average value of \$1.68 and \$1.73, respectively, per pound as calculated by Feeding America, a nationwide network of member food banks.

Property and Equipment. Donations of property and equipment are recorded as support revenue at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Food Bank reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Food Bank reclassifies temporarily restricted net assets to unrestricted net assets at that time. Purchased property and equipment is recorded at cost. The value of capital assets donated during the years ended September 30, 2018 and 2017, totaled \$0 and \$0, respectively.

The Food Bank capitalizes all depreciable assets with a cost equal to or greater than \$500 with a useful life of more than one year. Assets retired from service during the year are charged against their accumulated depreciation account and removed from the fixed asset records. If the asset is not fully depreciated the residual asset balance is charged to depreciation expense for the current year.

Depreciation on property and equipment is provided using the straight-line method over estimated useful lives of the respective assets, ranging from 3 to 50 years. Upon sale or other disposition of assets, the costs and related accumulated depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected as an increase or decrease in unrestricted net assets.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

Board Designated Unrestricted Net Assets. The Board of Directors has set aside amounts to be used for designated future purposes of the Organizations as reflected in these consolidated financial statements. A portion of the unrestricted net assets is set aside as an operating reserve fund in compliance with Feeding America recommendations.

Revenue Recognition. In accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605, *Revenue Recognition*, contributions (grants) received from federal, state, and local governments that are conditioned upon the Food Bank incurring certain qualifying costs are considered to be conditional promises to give and therefore are recognized as revenue as those costs are incurred.

Donations. Donated material and services, although significant in amount, are not recorded unless there is an objectively measurable basis for determining their fair value.

A substantial number of people donate significant amounts of services to the Food Bank. The financial statements do not reflect the value of these services as no objective basis exists for the reasonable measuring of the value of such services in accordance with FASB ASC 958-605-25. It is estimated that volunteers contributed approximately 153,277 and 136,474 hours to the food distribution program during the years ended September 30, 2018 and 2017, respectively.

Recognition of Donor Restrictions. Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unrestricted contributions are recorded as an increase in unrestricted net assets in the period in which the notice of unconditional promise to give is received.

Contributions or grants, which contain a donor-imposed restriction or a stipulation that the contribution cannot be used until a future period, are recorded as restricted contributions. Contributions, which are restricted with respect to the expenditure of the funds, are recorded as increases in temporarily restricted net assets available in the period in which the notice of grant award is received. Temporarily restricted net assets are reclassified to unrestricted net assets in the period in which the use restriction has been met or the time restriction lapses.

Federal Income Taxes. The Organizations are exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and are classified as organizations other than private foundations. The Organizations' federal exempt organization returns for the years ended September 30, 2015, and after are subject to examination by the Internal Revenue Service.

The Organizations have adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Tax*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the consolidated financial statements.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

Fair Value Measurement. The Organizations have implemented FASB ASC 820-10-50, *Fair Value Measurements*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10-50 are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">Quoted prices for similar assets or liabilities in active markets;Quoted prices for identical or similar assets or liabilities in inactive markets;Inputs other than quoted prices that are observable for the asset or liability;Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2018.

Common stocks, certificates of deposit, corporate bonds, mortgage pools, municipal bonds, CMO & asset backed securities, and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organizations believe the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Use of Estimates and Assumptions. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements. In August 2016, the FASB issued Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which requires presentation on the face of the consolidated statements of financial position amounts for two classes of net assets at the end of the period, net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes. The standard also requires the presentation on the face of the consolidated statements of activities the amount of the change in each of these two classes of net assets. The entity will be required to provide enhanced disclosures about liquidity in the footnotes to the consolidated financial statements. The standard is effective for fiscal years beginning after December 15, 2017, and early adoption is permitted. The Organizations are currently evaluating the impact the standard will have on their consolidated financial statements.

Subsequent Events. Management of the Organizations have evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the consolidated financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at September 30:

	2018	2017
Cash Held at Financial Institutions	\$ 1,969,385	\$ 3,803,875
Money Market Accounts	533,383	466,033
	<u>\$ 2,502,768</u>	<u>\$ 4,269,908</u>

**CENTRAL TEXAS FOOD BANK, INC,
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NOTE 3 - INVESTMENTS

The Organizations follow FASB ASC 958-320-50. This statement requires entities to report investments in the statement of financial position at fair value and report realized and unrealized gains and losses in the statement of activities and changes in net assets. Investment income for the years ended September 30, 2018 and 2017, included in the Consolidated Statements of Activities and Changes in Net Assets, is summarized as follows:

	2018	2017
Unrealized Gain (Loss) on Investments	\$ 379,702	\$ 173,403
Interest and Dividends	308,234	383,046
Investment Income (Loss)	<u>\$ 687,936</u>	<u>\$ 556,449</u>

Short-term investments are recorded at fair value and are recorded in the financial statements as cash and cash equivalents. Long-term investments are recorded at fair value as determined by quoted market prices, which is Level 1 under the fair value hierarchy. Market values and unrealized appreciation (depreciation) at September 30, 2018 and 2017, are summarized as follows:

September 30, 2018:	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
<u>FOOD BANK</u>			
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 494,118	\$ 494,118	\$ -
Long-Term Investments:			
Certificates of Deposit	613,291	614,276	985
Corporate Bonds	677,648	666,930	(10,718)
Government Obligations	351,713	339,461	(12,252)
Municipal Bonds	201,731	203,064	1,333
Mortgage Pools	2,506	2,588	82
CMO & Asset backed Securities	55,177	58,625	3,448
Common Stocks and Other	1,151,247	1,771,873	620,626
	<u>3,053,313</u>	<u>3,656,817</u>	<u>603,504</u>
Total Food Bank	<u>\$ 3,547,431</u>	<u>\$ 4,150,935</u>	<u>\$ 603,504</u>

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

NOTE 3 - INVESTMENTS - CONTINUED

<u>FOUNDATION</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 39,265	\$ 39,265	\$ -
Long-Term Investments:			
Corporate Bonds	426,875	420,520	(6,355)
Government Obligations	176,516	165,031	(11,485)
Municipal Bonds	81,579	81,397	(182)
Common Stocks and Other	1,283,297	1,993,993	710,696
	<u>1,968,267</u>	<u>2,660,941</u>	<u>692,674</u>
Total Foundation	<u>\$ 2,007,532</u>	<u>\$ 2,700,206</u>	<u>\$ 692,674</u>
Total Food Bank and Foundation	<u>\$ 5,554,963</u>	<u>\$ 6,851,141</u>	<u>\$ 1,296,178</u>
September 30, 2017:			
<u>FOOD BANK</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 355,707	\$ 355,707	\$ -
Long-Term Investments:			
Certificates of Deposit	800,000	800,195	195
Corporate Bonds	501,089	503,248	2,159
Government Obligations	353,115	347,250	(5,865)
Municipal Bonds	230,867	234,594	3,727
Mortgage Pools	2,620	2,738	118
Common Stocks and Other	1,234,440	1,659,594	425,154
	<u>3,122,131</u>	<u>3,547,619</u>	<u>425,488</u>
Total Food Bank	<u>\$ 3,477,838</u>	<u>\$ 3,903,326</u>	<u>\$ 425,488</u>

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

NOTE 3 - INVESTMENTS - CONTINUED

<u>FOUNDATION</u>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 110,325	\$ 110,325	\$ -
Long-Term Investments:			
Corporate Bonds	352,769	353,210	441
Government Obligations	177,127	171,050	(6,077)
Municipal Bonds	109,045	108,574	(471)
Common Stocks and Other	1,316,259	1,803,175	486,916
	<u>1,955,200</u>	<u>2,436,009</u>	<u>480,809</u>
Total Foundation	<u>\$ 2,065,525</u>	<u>\$ 2,546,334</u>	<u>\$ 480,809</u>
 Total Food Bank and Foundation	 <u>\$ 5,543,363</u>	 <u>\$ 6,449,660</u>	 <u>\$ 906,297</u>

NOTE 4 - PLEDGES RECEIVABLE

Unconditional pledges receivable for the capital campaign as of September 30, 2018 and 2017, are as follows:

	2018	2017
Receivables due in less than one year	\$ 42,868	\$ 94,246
Receivables due in less than two years	-	42,853
	<u>\$ 42,868</u>	<u>\$ 137,099</u>

NOTE 5 - PROPERTY AND EQUIPMENT

The major classes of property and equipment held as of September 30, 2018 and 2017, are as follows:

	Life	2018	2017
Land	-	\$ 3,056,775	\$ 3,056,775
Building	5-50 years	19,080,875	19,039,440
Office Equipment	3-10 years	1,330,246	1,268,301
Warehouse Equipment	3-10 years	672,240	602,987
Vehicles	5-8 years	3,146,871	2,915,838
Kitchen Equipment	5-10 years	441,013	441,013
Garden	5-10 years	161,297	154,786
Agency Capacity	5-10 years	63,946	63,946
		<u>27,953,263</u>	<u>27,543,086</u>
Accumulated Depreciation		<u>(3,846,736)</u>	<u>(3,172,041)</u>
		<u>\$ 24,106,527</u>	<u>\$ 24,371,045</u>

**CENTRAL TEXAS FOOD BANK, INC,
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NOTE 5 - PROPERTY AND EQUIPMENT - CONTINUED

Depreciation expense of \$1,000,809 and \$970,238 was recorded during the years ended September 30, 2018 and 2017, respectively.

NOTE 6 - NOTES RECEIVABLE

In connection with the issuance of New Market Tax Credits Financing (See Note 7) the Food Bank entered into the following notes receivable:

The Food Bank entered into an agreement on May 19, 2015, amended on August 19, 2015, to lend \$8,637,500 to Chase NMTC CAFB of TX Investment Fund, LLC (Chase NMTC Fund 1). The note is secured by Chase NMTC Fund 1's membership interest in TMF SUB-CDE XXIV, LLC (TMF CDE) and CNMC SUB-CDE 81, LLC (CNMC CDE), collectively the CDE's) and other cash accounts held by a secured party. Interest on the unpaid principal amount at the rate of one percent (1.00%) per annum shall be payable quarterly for interest accruing through the last day of the last month of the applicable quarter until August 31, 2022. The first quarterly payment shall be on June 10, 2015, and payments shall be made on each December 10, March 10, June 10, and September 10 thereafter through June 10, 2022.

On September 10, 2022, there shall be a one-time payment of \$35,471 reflecting a partial payment of interest for accrued and unpaid interest from July 1, 2022 through August 31, 2022 and a payment of principal and interest for a partial quarter beginning on September 1, 2022 and ending on September 30, 2022. Commencing on December 10, 2022, and continuing on each March 10, June 10, September 10, and December 10, thereafter until the maturity date of August 31, 2045, Chase NMTC Fund 1 shall make quarterly payments of principal and interest in an amount equal to \$106,431.

The Food Bank entered into an agreement on August 19, 2015, to lend \$4,107,600 to Chase NMTC CAFB of TX Investment Fund 2, LLC (Chase NMTC Fund 2). The note is secured by Chase NMTC Fund 2's membership interest in UACD SUB-CDE XIX, LLC (UACD CDE) and CNMC SUB-CDE. Interest on the unpaid principal amount at the rate of one percent (1.00%) per annum shall be payable quarterly for interest accruing through the last day of the last month of the applicable quarter until August 31, 2022. The first quarterly payment shall be on September 10, 2015, and payments shall be made on each December 10, March 10, June 10, and September 10 thereafter through June 10, 2022. On September 10, 2022, there shall be a one-time payment of \$23,524 reflecting a partial payment of interest for accrued and unpaid interest from July 1, 2022, through August 31, 2022, and a payment of principal and interest for a partial quarter beginning on September 1, 2022, and ending on September 30, 2022.

Commencing on December 10, 2022, and continuing on each March 10, June 10, September 10, and December 10, thereafter until the maturity date of August 31, 2045, Chase NMTC Fund 2 shall make quarterly payments of principal and interest in an amount equal to \$50,035.

Interest earned during the years ended September 30, 2018 and 2017, was \$127,451 and \$129,288, respectively.

**CENTRAL TEXAS FOOD BANK, INC,
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

NOTE 7 - NEW MARKET TAX CREDITS NOTES PAYABLE

The Support Corporation executed loan agreements on August 19, 2015, that provide for borrowings of \$10,890,000, \$1,500,000 and \$5,880,000 from TMF SUB-CDE XXIV, LLC, CNMC SUB-CDE 81, LLC, and UACD SUB-CDE XIX, LLC, respectively. The loans were used to finance the building of a new facility and are intended to be treated as a “qualified low-income community investment” for purposes of generating New Market Tax Credits under Section 45D of the Internal Revenue Code of 1986, as amended. The loans are secured by a property deed of trust, security agreement and fixture filing on this property and a guaranty by the Food Bank.

Each loan accrues interest payable quarterly beginning in September 2015 with the principal balance due in its entirety on the stated maturity dates. The Support Corporation is not permitted to prepay any portion of the loans until the seventh anniversary of the loan. The balances outstanding on the notes payable, maturity dates and repayment terms are as follows:

	2018	2017
Note payable to TMF Sub CDE, matures on August 31, 2045, with quarterly interest only payments with an interest rate of 1.23393%		
Loan A	\$ 7,640,600	\$ 7,640,600
Loan B	3,249,400	3,249,400
 Note payable to Chase NMC Sub CDE, matures on August 31, 2045, with quarterly interest only payments with an interest rate of 1.23393%		
Loan A	996,900	996,900
Loan B	503,100	503,100
 Note payable to UACD Sub CDE, matures on August 31, 2045, with quarterly interest only payments with an interest rate of 1.41293%		
Loan A	4,107,600	4,107,600
Loan B	1,772,400	1,772,400
Less Debt Issuance Costs	(405,819)	(511,678)
Total	\$ 17,864,181	\$ 17,758,322

At any time after the seventh anniversary and before the eighth anniversary of the combined amount of the Loan Bs above of \$5,524,900, JPMorgan Chase Bank, N.A. can exercise its put option to sell its interest in the Chase NMTC Fund to the Food Bank for \$2,000. After exercising its option to purchase the interest in the Chase NMTC Fund, the Food Bank may cancel the new market tax credits notes payable.

**CENTRAL TEXAS FOOD BANK, INC,
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

NOTE 7 - NEW MARKET TAX CREDITS NOTES PAYABLE - CONTINUED

Costs associated with the issuance of debt are capitalized and amortized over the term of the respective financing arrangement using the straight-line method over seven years. Amortization expense of debt issuance costs totaled \$105,859 and \$105,859 for the years ended September 30, 2018 and 2017.

NOTE 8 - LONG-TERM DEBT

On August 19, 2015, the Food Bank entered into a construction loan with Compass Bank for up to \$10,000,000. Proceeds from the loan were used for the development and construction of new operating facilities located at 6500 Metropolis Drive in Austin, Texas.

The loan has a seven-year term and a variable interest rate of 1.20% + 30-day LIBOR adjusted monthly, 3.46% at September 30, 2018. Monthly interest payments are due until maturity at August 19, 2022, when all principal and unpaid interest will be due. The amount of the monthly installment shall be equal to the amount which is calculated on the basis of a straight-line amortization of the then outstanding principal balance of the loan over a period of one hundred twenty (120) months; monthly payments are principal of \$24,455 plus interest. Under the terms of the agreement, the Food Bank is required to maintain the Organizations' primary depository account with the lender.

The balances outstanding on the notes payable, maturity dates and repayment terms are as follows:

	2018	2017
Balance outstanding at September 30:	\$ 1,774,291	\$ 2,567,748

Future maturities of long-term debt are as follows:

September 30,	
2019	\$ 293,457
2020	293,457
2021	293,457
2022	893,920
	\$ 1,774,291

NOTE 9 - CITY AND COUNTY GRANTS

Expenditures of the City of Austin and Travis County grant funds for the years ended September 30, 2018 and 2017, were \$543,447 and \$401,145, respectively.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

NOTE 10 - RESTRICTIONS ON NET ASSETS

The following are temporarily restricted net assets which the Organizations held at September 30:

	2018	2017
Programs:		
Healthy Pantry Initiative	\$ 62,500	\$ -
Property and Equipment	20,954	-
Miscellaneous Programs	7,000	1,004
Commodity Supplemental Food Program	4,810	-
Snack Pack	3,040	7,379
Nutrition Education Incentives	728	-
Disaster Relief	-	271,084
Enterprise / FA Grant	-	72,292
Starbucks Program	-	25,794
Walmart SNAP Program	-	1,338
	\$ 99,032	\$ 378,891

NOTE 11 - RELEASE OF DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of events specified by the donors, or by the change of restrictions specified by the donors. Amounts released during the years ending September 30 were:

	2018	2017
Disaster Relief	\$ 853,767	\$ 285,268
Healthy Options Program for the Elderly (HOPE)	160,627	166,423
Food Purchase	122,030	203,082
Backpack Program	119,577	73,565
Kids' Café Program	99,025	156,770
Starbucks Program	82,738	142,206
Property and Equipment	74,935	117,000
Enterprise / FA Grant	72,292	20,208
Mobile Food Pantries	70,640	166,562
Food Rescue Program	59,300	63,600
SNAP - Saint David's Foundation	46,363	42,274
Miscellaneous Programs	33,015	42,445
Fresh Food for Families Program	28,227	38,143
Summer Feeding Program	25,000	40,700
Commodity Supplemental Food Program	20,191	-
Listen for Good	14,485	-
Nutrition Education Incentives	5,772	-
Snack Pack	4,339	14,664

**CENTRAL TEXAS FOOD BANK, INC,
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 - RELEASE OF DONOR RESTRICTIONS - CONTINUED

	2018	2017
Food for Thought	1,174	-
Power Pack	1,383	-
Feeding America SNAP Pilot	1,337	-
Capital Campaign	-	21,292
HI / Diabetes Grant	-	50,000
	<u>\$ 1,896,217</u>	<u>\$ 1,644,202</u>

NOTE 12 - CONTRIBUTIONS

Contributions for the years ended September 30 are composed of receipts from:

	2018	2017
Individuals	\$ 4,826,594	\$ 5,044,057
Special events and other	2,513,852	2,052,987
Businesses	1,811,098	1,589,194
Foundations	597,188	868,984
Religious and service organizations	330,841	184,137
Capital Campaign	-	21,292
	<u>\$ 10,079,573</u>	<u>\$ 9,760,651</u>

NOTE 13 - TEXAS EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)

The Food Bank contracted with the Texas Health and Human Services Commission (HHSC) for the distribution of USDA commodities to Food Bank partner agencies under The Emergency Food Assistance Program (TEFAP). During the years ended September 30, 2018 and 2017, the Food Bank recognized \$1,035,591 and \$800,030 of revenue, respectively, from HHSC for reimbursement of allowable actual direct costs of storage and distribution of commodities. The related costs charged to the program totaled \$1,035,591 and \$800,030 in 2018 and 2017, respectively.

NOTE 14 - RETIREMENT PLAN

The Food Bank participates in a 403(b) plan which is made up of a group of other local nonprofits sponsored by One Voice Central Texas. Eligible employees may contribute to the Plan a portion of their annual salary through payroll deductions. The Food Bank contributes 2% of each eligible employee's salary to the Plan and also matches up to 5% of each employee's salary reduction contribution. All full-time employees with one year of service are eligible to participate in the Plan. All Food Bank contributions are fully vested. For the years ended September 30, 2018 and 2017, the Food Bank contributed \$179,368 and \$188,265, respectively.

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

NOTE 15 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Changes in Net Assets. Accordingly, certain common costs have been allocated among the program and supporting services benefited, as summarized in the Consolidated Statement of Functional Expenses.

NOTE 16 - CONCENTRATION OF CREDIT RISK

The Organizations maintain cash deposits at financial institutions, which at times exceed federally guaranteed limits. Management closely monitors the financial institutions as well as the account balances. The Organizations have not experienced any losses on deposits at these institutions. Combined cash deposits of \$2,319,112 at financial institutions exceeded federally guaranteed limits at September 30, 2018.

In addition, the Organizations invest in various money market funds that are classified as cash equivalents in the financial statements. No losses were experienced during the period on these short-term investments, which are held by high credit quality institutions. Investments of \$533,383 in money market accounts were not insured by the FDIC at September 30, 2018.

NOTE 17 - RELATED PARTY TRANSACTIONS

The Central Texas Food Bank is an affiliate of Feeding America. As such, the Food Bank is offered donations from national food companies. The Food Bank received \$411,660 and 1,389,827 pounds of food as a result of this affiliation during the periods ended September 30, 2018 and 2017, respectively. The Food Bank paid affiliate fees (dues) of \$27,018 and \$23,637 to Feeding America in 2018 and 2017, respectively.

Certain members of the Board of Directors of the Organizations contributed \$76,157 and \$90,295 during the years ended September 30, 2018 and 2017, respectively. The Organizations expensed \$0 and \$4,804 for services from companies to which certain members of the Board of Directors are associated during the years ended September 30, 2018 and 2017, respectively.

ADDITIONAL INFORMATION

**CENTRAL TEXAS FOOD BANK, INC,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2018**

ASSETS	Food Bank		
	Operating	Property and Equipment	Operating Reserve
Cash and Cash Equivalents	\$ 3,216,246	\$ (851,236)	\$ 79,619
Investments	614,276	-	3,042,541
Accounts Receivable	924,211	-	-
Food Inventory Held for Distribution	1,868,517	-	-
Purchased Food Inventory	205,026	-	-
Prepaid Expenses	131,872	-	-
Pledges Receivable - Capital Campaign	42,868	-	-
Property and Equipment (Net of Accumulated Depreciation of \$3,846,736)	-	2,362,411	-
Notes Receivable	12,745,100	-	-
TOTAL ASSETS	\$ 19,748,116	\$ 1,511,175	\$ 3,122,160
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts Payable	\$ 179,395	\$ -	\$ -
Accrued Liabilities	371,954	-	-
Deferred Revenue	201,702	-	-
Long-Term Debt	1,774,291	-	-
New Market Tax Credit Notes Payable	-	-	-
Total Liabilities	2,527,342	-	-
Net Assets:			
Unrestricted:			
Undesignated	15,274,179	-	-
Designated for Future Food Distribution	1,868,517	-	-
Designated for Property and Equipment	-	1,490,221	-
Designated for Operating Reserve	-	-	3,122,160
Designated for Capital Campaign	-	-	-
Designated for CAFB Foundation	-	-	-
Total Unrestricted	17,142,696	1,490,221	3,122,160
Temporarily Restricted	78,078	20,954	-
Permanently Restricted	-	-	-
Total Net Assets	17,220,774	1,511,175	3,122,160
TOTAL LIABILITIES AND NET ASSETS	\$ 19,748,116	\$ 1,511,175	\$ 3,122,160

Food Bank					
Capital Campaign	Total	Foundation	Support Corporation	Eliminations	Consolidated
\$ -	\$ 2,444,629	\$ 39,265	\$ 18,874	\$ -	\$ 2,502,768
-	3,656,817	2,660,941	-	-	6,317,758
-	924,211	-	-	-	924,211
-	1,868,517	-	-	-	1,868,517
-	205,026	-	-	-	205,026
-	131,872	-	5,844	-	137,716
-	42,868	-	-	-	42,868
-	2,362,411	-	21,744,116	-	24,106,527
-	12,745,100	-	-	-	12,745,100
<u>\$ -</u>	<u>\$ 24,381,451</u>	<u>\$ 2,700,206</u>	<u>\$ 21,768,834</u>	<u>\$ -</u>	<u>\$ 48,850,491</u>
\$ -	\$ 179,395	\$ -	\$ -	\$ -	\$ 179,395
-	371,954	-	-	-	371,954
-	201,702	-	-	-	201,702
-	1,774,291	-	-	-	1,774,291
-	-	-	17,864,181	-	17,864,181
-	2,527,342	-	17,864,181	-	20,391,523
-	15,274,179	-	-	-	15,274,179
-	1,868,517	-	-	-	1,868,517
-	1,490,221	-	3,904,653	-	5,394,874
-	3,122,160	-	-	-	3,122,160
-	-	-	-	-	-
-	-	2,549,112	-	-	2,549,112
-	21,755,077	2,549,112	3,904,653	-	28,208,842
-	99,032	-	-	-	99,032
-	-	151,094	-	-	151,094
-	21,854,109	2,700,206	3,904,653	-	28,458,968
<u>\$ -</u>	<u>\$ 24,381,451</u>	<u>\$ 2,700,206</u>	<u>\$ 21,768,834</u>	<u>\$ -</u>	<u>\$ 48,850,491</u>

See Independent Auditors' Report

**CENTRAL TEXAS FOOD BANK, INC.,
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Food Bank								
	Operating Fund		Property and Equipment		Capital Campaign Fund				
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	
PUBLIC SUPPORT AND REVENUE									
Public Support:									
Donated Food Received for Distribution	\$ 78,334,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,334,907
Grants and Contracts	3,238,830	-	-	-	-	-	-	-	3,238,830
Contributions	8,582,362	1,520,469	-	95,889	-	-	-	-	10,198,720
Revenue:									
Program Service Fees	2,925,826	-	-	-	-	-	-	-	2,925,826
Investment Income	144,497	-	-	-	254,693	-	-	-	399,190
Other	115,778	-	5,500	-	-	-	-	-	121,278
	<u>93,342,200</u>	<u>1,520,469</u>	<u>5,500</u>	<u>95,889</u>	<u>254,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,218,751</u>
Net Assets Released from Restrictions	1,821,282	(1,821,282)	74,935	(74,935)	-	-	-	-	-
	<u>95,163,482</u>	<u>(300,813)</u>	<u>80,435</u>	<u>20,954</u>	<u>254,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,218,751</u>
Total Public Support and Revenue									
EXPENSES									
Program Services:									
Donated Food Program	93,312,353	-	402,789	-	-	-	-	-	93,715,142
Supporting Services:									
Management and General	1,462,296	-	13,473	-	14,729	-	-	-	1,490,498
Fund Raising	2,196,645	-	7,473	-	-	-	-	-	2,204,118
	<u>96,971,294</u>	<u>-</u>	<u>423,735</u>	<u>-</u>	<u>14,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,409,758</u>
Total Expenses									
Change in Net Assets	(1,807,812)	(300,813)	(343,300)	20,954	239,964	-	-	-	(2,191,007)
Transfers Among Funds	10,670,020	-	476,206	-	-	(11,146,226)	-	-	-
	<u>8,280,488</u>	<u>378,891</u>	<u>1,357,315</u>	<u>-</u>	<u>2,882,196</u>	<u>11,146,226</u>	<u>-</u>	<u>-</u>	<u>24,045,116</u>
Net Assets at Beginning of Year									
Net Assets at End of Year	\$ 17,142,696	\$ 78,078	\$ 1,490,221	\$ 20,954	\$ 3,122,160	\$ -	\$ -	\$ -	\$ 21,854,109

See Independent Auditors' Report

CENTRAL TEXAS FOOD BANK, INC
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018 - Continued

	Foundation		Support Corporation		Consolidated Total
	Foundation Funds		Support Corporation Funds		
	Unrestricted	Restricted	Unrestricted	Total	
PUBLIC SUPPORT AND REVENUE					
Public Support:					
Donated Food Received for Distribution	\$ -	\$ -	\$ -	\$ -	\$ 78,334,907
Grants and Contracts	-	-	-	-	3,238,830
Contributions	-	-	287,910	287,910	10,079,573
Revenue:					
Program Service Fees	-	-	-	-	2,925,826
Investment Income	288,746	-	288,746	-	687,936
Other	-	-	-	-	121,278
Net Assets Released from Restrictions	288,746	-	288,746	287,910	95,388,350
	-	-	-	-	-
Total Public Support and Revenue	288,746	-	288,746	287,910	95,388,350
EXPENSES					
Program Services:					
Donated Food Program	119,147	-	119,147	865,836	94,293,068
Supporting Services:					
Management and General Fund Raising	15,727	-	15,727	73,467	1,579,692
	-	-	-	24,051	2,228,169
Total Expenses	134,874	-	134,874	963,354	98,100,929
Change in Net Assets	153,872	-	153,872	(675,444)	(2,712,579)
Transfers Among Funds	-	-	-	-	-
Net Assets at Beginning of Year	2,395,240	151,094	2,546,334	4,580,097	31,171,547
Net Assets at End of Year	\$ 2,549,112	\$ 151,094	\$ 2,700,206	\$ 3,904,653	\$ 28,458,968

See Independent Auditors' Report

CENTRAL TEXAS FOOD BANK, INC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor Number	Disbursements	Pass-Through To Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed Through the Texas Department of Agriculture (TDA)				
CACFP	10.558	01576	\$ 295,269	\$ -
Summer Food Service Program	10.559	01576	255,937	-
<u>The Emergency Food Assistance - Cluster</u>				
Texas Commodity Assistance Emergency Food Assistance Program (Food Commodities) (Note A)				
	10.569	01576	3,774,124	3,495,095
Texas Commodity Assistance Emergency Food Assistance Program (Administrative Costs)				
	10.568	01576	835,283	-
Commodity Supplemental Food Program (Food Commodities) (Note B)				
	10.565	01576	599,407	302,937
Commodity Supplemental Food Program (Administrative Costs)				
	10.565	01576	<u>200,308</u>	<u>-</u>
Total passed through TDA			<u>5,960,328</u>	<u>3,798,032</u>
Total U. S. Department of Agriculture			<u>5,960,328</u>	<u>3,798,032</u>
<u>Department of Homeland Security</u>				
Emergency Food and Shelter National Board Program				
	97.024	7824-00-006	<u>128,420</u>	<u>128,420</u>
Total Department of Homeland Security				
TOTAL FEDERAL AWARDS			<u>\$ 6,088,748</u>	<u>\$ 3,926,452</u>

Note A - This program represents food with a value of \$3,774,124 which was distributed under the TEXCAP program.

Note B - This program represents food with a value of \$599,407 which was distributed under the CSFP program.

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Central Texas Food Bank, Inc. (the Food Bank) under programs of the federal government for the year ended September 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Food Bank, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Food Bank.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

The Food Bank has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS

The Food Bank passed-through federal awards to the following subrecipients:

Agency Name	CFDA 10.569		CFDA 10.565		Total
	TEFAP		CSFP		
A New Entry Inc.	\$	2,845	\$	-	\$ 2,845
A New Entry McCabe Center		6,308		-	6,308
ABC - FBC Elgin		16,483		-	16,483
ABC - Primera Baptist Church		22,246		-	22,246
ABC - Primera Baptist Church		520		-	520
Abiding Love Lutheran Church		10,732	4,624		15,356
Acts Storehouse		7,601		-	7,601
Agape Food Pantry of Taylor		4,059		-	4,059
AIDS Services of Austin		11,664		-	11,664
ALCOG		13,972		-	13,972
Allison Elementary		21,465		-	21,465
AMEN		9,305		-	9,305
Antioch Food Pantry		2,714		-	2,714
Apache Shores- MP		9,035		-	9,035
Assembly of Prayer Food Pantry		2,127		-	2,127
ATCIC Project Recovery		952		-	952

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	Total
Austin Baptist Chapel	\$ 567	\$ -	\$ 567
Austin Restoration Ministries	2,337	-	2,337
Austin Shelter: Women/Children	65	-	65
Austin Spanish Seventh Day Adventist	9,350	-	9,350
Austin Voices Burnet	3,560	-	3,560
Austin Voices Dobie	4,950	-	4,950
Austin Voices Webb	3,246	-	3,246
B & G Club Clements Teen Center	8,215	-	8,215
B & G Club Gatesville	25	-	25
Bannockburn Baptist Church	7,691	-	7,691
Baptist Benevolence Ministry	11,398	-	11,398
Bartlett Mobile Pantry	24,448	-	24,448
Bastrop County Food Bank	-	2,361	2,361
Bastrop County Food Pantry	26,195	6,067	32,262
Bethany Faith Food Pantry	2,412	-	2,412
Blackland Neighborhood Center	3,759	-	3,759
Blanco Good Samaritan	30,926	-	30,926
Blessings From God - Cameron MP	3,096	-	3,096
Blessings From God Food Pantry	34,671	-	34,671
Bread For All	21,605	-	21,605
Briggs Baptist Church Pantry	9,992	-	9,992
Buchanan Dam Mobile Pantry	9,862	-	9,862
Buda UMC Food Pantry	13,984	-	13,984
Burke Foundation	1,209	-	1,209
C.L.C. Food Pantry	3,080	-	3,080
Caldwell County Christian	30,632	-	30,632
Caritas of Mexia	18,112	-	18,112
Caritas of Waco, Inc.	49,178	20,713	69,891
Carver Park Baptist Church	7,442	-	7,442
Casa Marianella	2,788	-	2,788
Cedar Creek Mobile Pantry	18,240	-	18,240
Cedar Park Mobile Pantry	7,197	-	7,197
Celebration House	1,668	-	1,668
Cenikor Foundation	1,942	-	1,942
Cenikor Foundation Austin	2,620	-	2,620
Cen-Tex Alcoholic Rehab	23,247	-	23,247
Central Faith CDC	2,097	-	2,097
Central Texas Children's	16	-	16
Central TX Children's Home	506	-	506

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	Total
Chapel of the Hills	\$ 10,759	\$ -	\$ 10,759
Chilton Community Food Pantry	4,828	-	4,828
Christ the King Catholic Church	5,251	-	5,251
Christian Farms Treehouse	6,593	-	6,593
Church of Christ at East Side	13,826	-	13,826
Church of Christ Marble Falls	9,128	-	9,128
Church of the Open Door	45,891	-	45,891
Churches Touching Lives for Christ	101,374	78,008	179,382
Circle of Hope Community Center	1,587	248	1,835
CIS Connections Program	173	-	173
CIS-Greater Central Texas Inc	449	-	449
Cobblestone Court	-	2,196	2,196
Community Cupboard	4,953	-	4,953
Community of Hope Inc.	1,393	-	1,393
Co-Partners for Christ	3,839	-	3,839
Cornerstone Fellowship	4,390	-	4,390
Cove House	84	-	84
Covenant Food Pantry	19,332	-	19,332
Creedmoor Elementary School	11,015	-	11,015
Cristo Rey Social Ministries	5,013	-	5,013
Dale Mobile Pantry	15,475	-	15,475
Del Valle HS	17,774	-	17,774
Destiny Food Pantry	5,847	-	5,847
Dorcas Passion Ministries	6,112	-	6,112
Dove Springs Recreation Center	23,247	-	23,247
East Austin Neighborhood Center	4,104	-	4,104
Ebenezer CDC	2,693	-	2,693
Eberhart Place	-	2,639	2,639
El Buen Samaritano	13,835	-	13,835
Elgin Seventh Day Adventist	8,112	-	8,112
Eternal Faith Baptist Church	7,536	-	7,536
Faith Food Pantry	8,267	-	8,267
Falls Co. Samaritan House	1,863	-	1,863
Families in Crisis	2,003	-	2,003
Families in Crisis, Temple	1,549	-	1,549
Family Abuse Center	1,070	-	1,070
Family Crisis Center--Bastrop	359	-	359
Fayetteville Mobile Pantry	16,092	-	16,092
Feed the Comm. Pantry/Gateway	6,965	-	6,965

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	Total
First Baptist Church - Salado	\$ 1,605	\$ -	\$ 1,605
First Baptist Church Marble Falls	11,342	-	11,342
First Baptist Church of Kyle	4,244	-	4,244
First Baptist Church-Oak Hill	16,051	-	16,051
Fishes & Loaves	2,534	-	2,534
Florence Community Food Pantry	3,222	-	3,222
Food Care Center	172,274	-	172,274
Foundation Comm.- Homestead Oaks	575	-	575
Foundation Comm.- Lakeline	2,203	-	2,203
Foundation Comm.- Arbor Terrace	2,439	-	2,439
Foundation Comm.- Bluebonnet Studios	2,021	-	2,021
Foundation Comm.- Capital Studios	2,033	-	2,033
Foundation Comm.- Cardinal Points	1,557	-	1,557
Foundation Comm.- Daffodil	2,434	-	2,434
Foundation Comm.- Garden Terrace	2,264	-	2,264
Foundation Comm.- M Station	3,153	-	3,153
Foundation Comm.- Sierra Ridge	5,601	-	5,601
Foundation Comm.- Sierra Vista	5,393	-	5,393
Foundation Comm.- Skyline Terrace	1,748	-	1,748
Foundation Comm.- Spring Terrace	2,129	-	2,129
Foundation Comm.- SW Trails	2,239	-	2,239
Foundation Comm.- Trails	3,278	-	3,278
Foundation Comm.-Vintage	2,607	-	2,607
Franklin Gardens	-	1,433	1,433
Fredericksburg Food Pantry	29,317	-	29,317
Fredericksburg Headstart	16,583	-	16,583
Friends in Crisis	4,737	-	4,737
Front Steps (ARCH)	1,565	-	1,565
Gatesville Care Center	42,902	-	42,902
Gause Mobile Food Pantry	10,837	-	10,837
Georgetown Back Pack Buddy	12,362	-	12,362
Gethsemane Lutheran Church	2,156	-	2,156
Giddings Food Pantry	13,894	-	13,894
Givens Recreation Center	18,569	-	18,569
Glad Tidings Food Pantry	2,397	-	2,397
Goldthwaite Evangelism Center	9,728	-	9,728
Goldthwaite Mobile Pantry	15,643	-	15,643
Goodwill Excel Center	1,686	-	1,686
Grace Baptist Church	8,807	2,809	11,616

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	Total
Greater Christ Gospel	\$ 14,111	\$ -	\$ 14,111
Greater Mount Zion Baptist	5,838	-	5,838
Green Doors	1,488	-	1,488
HACA - Booker T. Washington	-	566	566
HACA - Booker T. Washington	-	1,171	1,171
HACA - Bouldin Oaks	-	772	772
HACA - Bouldin Oaks	-	1,481	1,481
HACA - Chalmers	-	1,057	1,057
HACA - Gaston	-	3,256	3,256
HACA - Georgian Manor	-	392	392
HACA - Georgian Manor	-	587	587
HACA - Goodrich	-	890	890
HACA - Lakeside	-	8,038	8,038
HACA - Manchaca II	-	935	935
HACA - Manchaca Village	-	128	128
HACA - Manchaca Village	-	234	234
HACA - Northloop	-	6,471	6,471
HACA - Rosewood Courts	-	135	135
HACA - Rosewood Courts	-	110	110
HACA - Salina	-	456	456
HACA - Santa Rita Courts	-	380	380
HACA - Santa Rita Courts	-	728	728
HACA - Shadowbend Ridge	-	356	356
HACA - Shadowbend Ridge	-	621	621
HACA - Thurmond	-	1,350	1,350
HACA - Coronado Hills	-	1,723	1,723
Hamilton-Manjang Mission House	7,435	-	7,435
Hands of Love	882	-	882
Hands of Mercy Waco	2,347	-	2,347
Harker Heights Food Center	8,792	-	8,792
Haynie Chapel UMC	12,648	-	12,648
Hays County Food Bank	13,286	-	13,286
Heaven's Harvest	583	-	583
Heaven's Harvest Georgetown	1,459	-	1,459
Helping Center Marble Falls	31,448	-	31,448
Helping Hands Dripping Springs	16,328	-	16,328
Helping Hands Ministries	64,820	-	64,820
Heritage Pointe Apartments	-	572	572
Highland Lakes COC	10,851	-	10,851

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	Total
Highland Lakes Family Crisis	\$ 2,193	\$ -	\$ 2,193
Hill Country Comm. Ministries	41,535	-	41,535
Holy Cross Church - Bertram	755	-	755
Holy Family SVDP	59,583	-	59,583
Holy Family SVDP - Copperas Cove MP	4,840	-	4,840
Hope Food Pantry Austin	11,546	-	11,546
Hope Lutheran Church	2,996	-	2,996
House of Mercy	5,841	-	5,841
House Where Jesus Shines, The	1,495	-	1,495
Houston Food Bank	-	8,454	8,454
Hutto Community Food Pantry	6,712	-	6,712
Hyde Park Baptist Church	8,247	-	8,247
ICNA-NAMCC Food Pantry	12,081	-	12,081
IE Inc.	3,773	-	3,773
Impact Now Dove Springs	12,897	-	12,897
Jarrell Community Food Pantry	9,401	-	9,401
Joe Roland Community Center	171	-	171
Johnson City Christian Food Pantry	4,161	-	4,161
Johnson City Mobile Pantry	4,919	-	4,919
Joseph's Ministry	689	-	689
Joseph's Storehouse	6,094	-	6,094
Keep Kids Fed	1,438	-	1,438
Kidz Turn	663	-	663
Killeen Empowerment Center	1,128	-	1,128
Kingdom of God Christian	697	-	697
Kosse	12,917	-	12,917
Kyle Mobile Pantry	11,121	-	11,121
La Care	27,407	-	27,407
Lake Travis Crisis Ministries	9,642	-	9,642
LAMA Luling Food Bank	9,784	-	9,784
Lampasas Mission	15,019	6,852	21,871
Leander Church of Christ	18,570	-	18,570
Lexington Mobile Pantry	12,843	-	12,843
Llano Food Pantry	2,327	-	2,327
Lometa Food Pantry	728	-	728
Lometa Mobile Pantry	12,084	-	12,084
Lord's Community Storehouse	10,159	-	10,159
Lorena Shepherds Heart	5,112	-	5,112
Lott City Hall Mobile Pantry	13,328	-	13,328

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	Total
Love & Learning	\$ 3,730	\$ -	\$ 3,730
Love of Christ	74,623	7,273	81,896
Lucero Apartments	-	988	988
Manor Bread Basket	3,950	-	3,950
Manor Mobile Pantry	10,021	-	10,021
Manos de Cristo	3,635	-	3,635
Marlin Mobile Food Pantry	17,345	-	17,345
Mart Mobile Pantry	14,506	-	14,506
Mary Lee Found. Southpointe	4,733	-	4,733
Mary Lee Foundation	4,740	-	4,740
MCC Food Pantry	4,102	-	4,102
Mexia Mobile Pantry	17,128	-	17,128
Micah 6	49,519	-	49,519
Mision Cristiana Intl/LIDS	565	-	565
Mission Possible B.A.G.S.	1,786	-	1,786
Mission Waco	142	-	142
Mission Waco - Manna House	571	-	571
Montopolis Neighborhood Center	2,205	-	2,205
Montopolis Rec Ctr Kids Cafe	160	-	160
Nolanville Food Pantry	10,570	-	10,570
OFCC Food Pantry	1,818	-	1,818
Olivet Helping Hands Center	5,089	-	5,089
Onion Creek Senior Citizens	625	-	625
Open Door Soup Kitchen	681	-	681
Operation Liberty Hill	4,317	-	4,317
Operation Phantom Support	12,518	-	12,518
Our Lady of Guadalupe	5,800	-	5,800
Our Lady's Maronite Food Pantry	4,093	-	4,093
Paige Mobile Pantry	19,468	-	19,468
PARD - Alamo Rec Center	-	851	851
PARD - Alamo Rec Center	-	2,164	2,164
PARD - Gus Garcia Rec Center	-	4,001	4,001
PARD - Gus Garcia Rec Center	-	6,617	6,617
PARD - South Austin Senior Center	-	374	374
PARD - Virginia Brown Rec Center	-	326	326
PARD - Virginia Brown Rec Center	-	973	973
PARD Conley Guerrero Recreation	-	5,920	5,920
Pflugerville First UMC	7,735	-	7,735
Phoenix House	2,574	-	2,574

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	Total
Primrose of Shadow Creek	\$ -	\$ 229	\$ 229
Principe De Paz	8,521	-	8,521
Project Transitions	1,353	-	1,353
Rayo de Luz Pantry	61	-	61
RBJ - Rebekkah B. Johnson	-	9,980	9,980
Reveal Resource Center	48,169	2,555	50,724
River City Youth	51	-	51
Rockdale Christian Services	5,413	-	5,413
Rockdale Christian Services Food Pantry	-	1,023	1,023
Rockdale Mobile Food Pantry	20,831	-	20,831
ROL Community Food Pantry	26,972	20,059	47,031
Rosanky Baptist Church	4,440	-	4,440
Rosewood - Zaragosa Center	878	-	878
Round Rock Serving Center	102,066	-	102,066
Sacred Heart Catholic Church	1,886	-	1,886
SAFE	715	-	715
Saint Louise House	849	-	849
Saint Louise House (Lamar)	676	-	676
Salvation Army Rehab	152	-	152
Salvation Army Shelter Austin	46	-	46
Salvation Army Temple	1,543	-	1,543
Salvation Army-Waco	1,721	-	1,721
San Antonio Food Bank	-	2,851	2,851
San Marcos Mobile Pantry	16,690	-	16,690
San Saba	32,773	-	32,773
Santa Barbara Catholic Church	11,825	-	11,825
Santa Cruz Catholic Church	10,367	-	10,367
Santa Rosa Food Pantry	25,294	-	25,294
Schulenburg Area Food Pantry	8,918	-	8,918
Second Missionary Bap. Church	7,836	-	7,836
Seventh Day Adventist RR	6,096	-	6,096
Sharing the Harvest	35,488	-	35,488
Shepherd's Heart - Elm Mott	9,154	-	9,154
Shepherd's Heart - Living Word	6,198	-	6,198
Shepherd's Heart - Robinson	9,408	-	9,408
Shepherd's Heart - Taylor	54,467	21,615	76,082
Shepherd's Heart - Waco	103,561	23,416	126,977
Shepherd's Heart VLC	9,041	-	9,041
Shoreline - N. Austin	21,787	-	21,787

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	Total
Smithville Food Pantry	\$ 16,846	\$ 7,242	\$ 24,088
South Austin Church of Nazaren	17,631	-	17,631
South Austin Neighborhood Center	3,306	-	3,306
South Texas Food Bank	-	7,763	7,763
Southside Church of Christ FP	16,126	-	16,126
Southwest Key Program	17,187	-	17,187
Spicewood Helping Hand Crisis	7,160	-	7,160
SSVDP Council	8,375	-	8,375
St. Andrews Presbyterian Church	7,641	-	7,641
St. Anthony Marie de Claret	140	-	140
St. Anthony Marie de Claret Food Program	-	681	681
St. Edward's Baptist Church	1,358	-	1,358
St. Elizabeth-SVDP	6,400	-	6,400
St. George's Court	2,347	4,005	6,352
St. Ignatius Catholic Church	28,878	-	28,878
St. John's Community Center	409	-	409
St. John's Mobile Pantry	43,056	-	43,056
St. Mary's Catholic Church	11,341	-	11,341
St. Vincent de Paul - Temple	11,238	-	11,238
Star Texas Mobile Pantry	12,964	-	12,964
Stonehaven Resident Council	2,258	-	2,258
SVDP Round Rock	1,811	-	1,811
SVDP St. Martin de Porres	6,871	-	6,871
Tanglewood Baptist Church	10,357	-	10,357
Taylor Mobile Pantry	12,774	-	12,774
Taylor's Valley Baptist Church	17,704	-	17,704
Temple ACE	20,424	-	20,424
The Caring Place	58,179	-	58,179
The Refuge Mobile Food Pantry	8,761	-	8,761
Travis Co Com Ctr at Palm Square	33,439	-	33,439
Travis Co Comm Ctr Pflugerville	65,342	-	65,342
Travis Co Comm Ctr at Post Rd	30,657	-	30,657
Travis Co Comm Ctr Del Valle	15,568	-	15,568
Travis Co Comm Ctr Jonestown	9,255	-	9,255
Travis Co Comm Ctr Oak Hill	11,357	-	11,357
Travis County Com Ctr at Manor	20,581	-	20,581
Travis Heights Food Pantry	726	-	726
Trinity CDC	651	-	651
Turner Roberts Rec Center	15,249	-	15,249

CENTRAL TEXAS FOOD BANK, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE D - FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS - CONTINUED

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	Total
Turner Roberts Recreation Center	\$ 293	\$ -	\$ 293
V.A. Austin Mobile Pantry	23,687	-	23,687
V.A. Temple Mobile Pantry	24,618	-	24,618
V.A. Waco Mobile Pantry	1,782	-	1,782
Village Christian	-	2,861	2,861
Vineyard Christian Fellowship	6,720	-	6,720
Waco - Franklin St	18,446	-	18,446
Waco Child Care	2,098	-	2,098
Waco TSTC (Shepherd's Heart)	14,144	-	14,144
Waldeck Mobile Pantry	12,117	-	12,117
Welcome Table	3,740	-	3,740
Westover Hills Church of Christ	2,582	-	2,582
Wildflower Terrace Senior Apartments	-	357	357
William's House	3,260	-	3,260
Williamson County Crisis Center	212	-	212
Yolanda's Heart	235	-	235
Zion Chapel MBC	4,321	-	4,321
	\$ 3,495,095	\$ 302,937	\$ 3,798,032



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Central Texas Food Bank, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Central Texas Food Bank, Inc., which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Texas Food Bank, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Texas Food Bank, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Central Texas Food Bank, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Texas Food Bank, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Atchley & Associates, LLP". The signature is written in a cursive, flowing style.

Austin, Texas

February 11, 2019



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

To the Board of Directors of
Central Texas Food Bank, Inc.

Report on Compliance for Each Major Federal Program

We have audited Central Texas Food Bank, Inc.'s, a non-profit organization, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Central Texas Food Bank, Inc.'s major federal programs for the year ended September 30, 2018. Central Texas Food Bank, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on the compliance for each of Central Texas Food Bank, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Central Texas Food Bank, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Central Texas Food Bank, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion Central Texas Food Bank, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of Central Texas Food Bank, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central Texas Food Bank, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Texas Food Bank, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Austin, Texas

February 11, 2019

**CENTRAL TEXAS FOOD BANK, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified not considered to be material weakness(es)? None Reported

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified not considered to be material weakness(es)? None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>CFDA #</u>	<u>Federal Program Title - Cluster</u>
10.569	Texas Commodity Assistance Emergency Food Assistance Program (Food Commodities)
10.568	Texas Commodity Assistance Emergency Food Assistance Program (Administrative Costs)
10.565	Commodity Supplemental Food Program (Food Commodities and Administrative Costs)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

II. Financial Statement Findings

None

III. Findings Related to Federal Awards

None

CENTRAL TEXAS FOOD BANK, INC
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

No prior year findings.