

**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, 2019 and 2018**

**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, 2019 and 2018, 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, 2019 and 2018, 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 25 and activities and changes in net assets by fund on page 27 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 29 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 17, 2020, 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 17, 2020

**CENTRAL TEXAS FOOD BANK, INC,  
CENTRAL TEXAS FOOD BANK FOUNDATION, AND CAFB OF TX SUPPORT CORPORATION  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2019 AND 2018**

ASSETS	2019	2018
Cash and Cash Equivalents	\$ 3,308,060	\$ 2,502,768
Investments	6,101,638	6,317,758
Accounts Receivable	826,750	924,211
Food Inventory Held for Distribution	3,094,043	1,868,517
Purchased Food Inventory	120,865	205,026
Prepaid Expenses	138,255	137,716
Pledges Receivable - Capital Campaign	-	42,868
Property and Equipment (Net of Accumulated Depreciation of \$4,763,598 and \$3,846,736, respectively)	23,964,956	24,106,527
Notes Receivable	12,745,100	12,745,100
TOTAL ASSETS	\$ 50,299,667	\$ 48,850,491
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts Payable	\$ 365,189	\$ 179,395
Accrued Liabilities	462,684	371,954
Deferred Revenue	399,281	201,702
Long-Term Debt	1,480,834	1,774,291
New Market Tax Credit Notes Payable	17,970,040	17,864,181
Total Liabilities	20,678,028	20,391,523
Net Assets:		
Net Assets Without Donor Restrictions:		
Undesignated	15,430,512	15,274,179
Designated:		
For Future Food Distribution	3,094,043	1,868,517
For Property and Equipment	4,415,301	5,394,874
For Operating Reserve	3,333,861	3,122,160
For CAFB Foundation	2,620,325	2,549,112
Total Net Assets Without Donor Restrictions	28,894,042	28,208,842
Net Assets With Donor Restrictions:		
For Programs	576,503	99,032
In Perpetuity	151,094	151,094
Total Net Assets With Donor Restrictions	727,597	250,126
Total Net Assets	29,621,639	28,458,968
TOTAL LIABILITIES AND NET ASSETS	\$ 50,299,667	\$ 48,850,491

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, 2019**

	Without Donor Restrictions	With Donor Restrictions		Total
		Time and/or Purpose	In Perpetuity	
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public Support:				
Donated Food Received for				
Distribution	\$ 74,753,257	\$ -	\$ -	\$ 74,753,257
Grants and Contracts	3,698,054	-	-	3,698,054
Contributions	9,076,807	1,977,554	-	11,054,361
Revenue:				
Program Service Fees	3,128,465	-	-	3,128,465
Investment Return, Net	556,725	-	-	556,725
Other	17,557	-	-	17,557
	91,230,865	1,977,554	-	93,208,419
Net Assets Released from Restrictions	1,500,083	(1,500,083)	-	-
Total Public Support and Revenue	92,730,948	477,471	-	93,208,419
<b>EXPENSES</b>				
Program Services:				
Donated Food Program	88,186,719	-	-	88,186,719
Supporting Services:				
Management and General	1,531,731	-	-	1,531,731
Fund Raising	2,327,298	-	-	2,327,298
Total Expenses	92,045,748	-	-	92,045,748
Change in Net Assets	685,200	477,471	-	1,162,671
Net Assets at Beginning of Year	28,208,842	99,032	151,094	28,458,968
Net Assets at End of Year	\$ 28,894,042	\$ 576,503	\$ 151,094	\$ 29,621,639

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**

	Without Donor Restrictions	With Donor Restrictions		Total
		Time and/or Purpose	In Perpetuity	
<b>PUBLIC SUPPORT AND REVENUE</b>				
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 Return, Net	657,480	-	-	657,480
Other	121,278	-	-	121,278
	93,741,536	1,616,358	-	95,357,894
Net Assets Released from Restrictions	1,896,217	(1,896,217)	-	-
Total Public Support and Revenue	95,637,753	(279,859)	-	95,357,894
<b>EXPENSES</b>				
Program Services:				
Donated Food Program	94,293,068	-	-	94,293,068
Supporting Services:				
Management and General	1,549,236	-	-	1,549,236
Fund Raising	2,228,169	-	-	2,228,169
Total Expenses	98,070,473	-	-	98,070,473
Change in Net Assets	(2,432,720)	(279,859)	-	(2,712,579)
Net Assets at Beginning of Year	30,641,562	378,891	151,094	31,171,547
Net Assets at End of Year	\$ 28,208,842	\$ 99,032	\$ 151,094	\$ 28,458,968

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, 2019**

	Donated Food Program	Supporting Services		Total
		Management and General	Fund Raising	
Donated Food Distributed to Others	\$ 72,662,079	\$ -	\$ -	\$ 72,662,079
Salaries and Related Expenses	5,726,275	1,196,754	1,096,964	8,019,993
Food Acquisitions	5,246,702	-	-	5,246,702
Fees for Service	62,111	79,204	962,218	1,103,533
Grants to Agencies	443,753	-	-	443,753
Equipment Rent and Maintenance	743,645	16,745	81,150	841,540
Occupancy	646,331	12,940	13,175	672,446
Mileage and Freight	657,195	-	-	657,195
Supplies	269,091	31,001	27,204	327,296
Conferences and Meetings	162,496	63,793	44,782	271,071
Insurance	67,636	21,775	1,395	90,806
Printing and Publication	21,797	8,190	33,482	63,469
Telephone	41,589	8,802	4,882	55,273
Professional Fees	-	45,353	5,205	50,558
Postage	898	3,167	15,671	19,736
Memberships	939	10,471	3,203	14,613
Miscellaneous	455	6,073	723	7,251
	<u>86,752,992</u>	<u>1,504,268</u>	<u>2,290,054</u>	<u>90,547,314</u>
Interest	419,636	4,327	8,652	432,615
Depreciation	<u>1,014,091</u>	<u>23,136</u>	<u>28,592</u>	<u>1,065,819</u>
<b>TOTAL EXPENSES</b>	<u><u>\$ 88,186,719</u></u>	<u><u>\$ 1,531,731</u></u>	<u><u>\$ 2,327,298</u></u>	<u><u>\$ 92,045,748</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, 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
Grants to Agencies	367,392	-	-	367,392
Equipment Rent and Maintenance	782,706	13,347	59,913	855,966
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
Conferences and Meetings	140,758	39,932	41,122	221,812
Insurance	202,048	21,244	4,436	227,728
Printing and Publication	19,027	1,590	79,680	100,297
Telephone	50,351	2,797	2,797	55,945
Professional Fees	-	70,153	-	70,153
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	32,880	10,960	438,422
Depreciation	<u>922,152</u>	<u>56,757</u>	<u>21,900</u>	<u>1,000,809</u>
<b>TOTAL EXPENSES</b>	<u><u>\$ 94,293,068</u></u>	<u><u>\$ 1,549,236</u></u>	<u><u>\$ 2,228,169</u></u>	<u><u>\$ 98,070,473</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, 2019 AND 2018**

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	2019	2018
Change in Net Assets	\$ 1,162,671	\$ (2,712,579)
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	30,561	(5,500)
Depreciation	1,065,819	1,000,809
Amortization	105,859	105,859
Unrealized (Gain) Loss on Investments	(290,011)	(379,702)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	97,461	(412,194)
Food Inventory	(1,141,365)	2,273,070
Prepaid Expenses	(539)	(80,770)
Pledges Receivable	42,868	94,231
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	185,794	(193,212)
Accrued Liabilities	90,730	(117,678)
Deferred Revenue	197,579	139,202
Net Cash Provided by (Used by) Operating Activities	1,547,427	(288,464)
 <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of Investments	(1,262,974)	(1,778,640)
Proceeds from Sale of Investments	1,769,105	1,824,212
Proceeds from Sale of Property and Equipment	7,952	5,497
Purchase of Property and Equipment	(962,761)	(736,288)
Net Cash Provided by (Used by) Investing Activities	(448,678)	(685,219)
 <b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Payments on Long-Term Debt	(293,457)	(793,457)
Net Cash Provided by (Used by) Financing Activities	(293,457)	(793,457)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	805,292	(1,767,140)
Cash and Cash Equivalents at Beginning of Year	2,502,768	4,269,908
Cash and Cash Equivalents at End of Year	\$ 3,308,060	\$ 2,502,768
 <b><u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u></b>		
Cash Paid During the Year for:		
Interest	\$ 326,756	\$ 363,019
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, 2019 AND 2018**

**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:

*Net assets without donor restrictions*— Net assets that are not subject to donor-imposed stipulations.

*Net assets with donor restriction* — 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets with donor stipulations in perpetuity are also included in this class. 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.

**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, 2019 AND 2018**

**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 2019 and 2018, 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, 2019 and 2018, is recorded in the financial statements at an average value of \$1.62 and \$1.68, 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 support without donor restrictions 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 net assets with donor restrictions to net assets without donor restrictions at that time. Purchased property and equipment is recorded at cost. There were no capital assets donated during the years ended September 30, 2019 and 2018.

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 net assets without donor restrictions.

**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, 2019 AND 2018**

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

**Board Designated 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 net assets without donor restrictions 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 164,736 and 153,277 hours to the food distribution program during the years ended September 30, 2019 and 2018, 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. Contributions without donor restrictions are recorded as an increase in net assets without donor restrictions 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 contributions with donor restrictions. Contributions, which are restricted with respect to the expenditure of the funds, are recorded as increases in net assets with donor restrictions available in the period in which the notice of grant award is received. Net assets with donor restrictions are reclassified to net assets without donor restrictions 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, 2016, and after are subject to examination by the Internal Revenue Service.

**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, 2019 AND 2018**

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

**Federal Income Taxes - Continued.** 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 be met before being recognized in the consolidated financial statements.

**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:<br><br>Quoted prices for similar assets or liabilities in active markets;<br><br>Quoted prices for identical or similar assets or liabilities in inactive markets;<br><br>Inputs other than quoted prices that are observable for the asset or liability;<br><br>Inputs that are derived principally from or corroborated by observable market data by correlation or other means.<br><br>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, 2019.

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.

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**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.

**Functional Allocation of Expenses.** The costs of providing program, fundraising and supporting services have been summarized on a functional basis in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting activities benefited. The expenses that were not directly related to program or supporting services are allocated using the following methods:

Expense	Method of Allocation
Salaries and Related Expenses	Time and Effort
Occupancy	Square Footage
Insurance	Square Footage
Depreciation	Square Footage

**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.** On August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organizations have adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented and accounts have been reclassified on the Consolidated Statements of Activities and Functional Expenses to comply with this new standard.

**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.



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**NOTE 2 - CASH AND CASH EQUIVALENTS**

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

	2019	2018
Cash Held at Financial Institutions	\$ 3,164,126	\$ 1,969,385
Money Market Accounts	143,934	533,383
	<u>\$ 3,308,060</u>	<u>\$ 2,502,768</u>

**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, 2019 and 2018, included in the Consolidated Statements of Activities and Changes in Net Assets, is summarized as follows:

	2019	2018
Unrealized Gain (Loss) on Investments	\$ 290,011	\$ 379,702
Interest and Dividends	298,314	308,234
Investment Fees	(31,600)	(30,456)
Investment Return, Net	<u>\$ 556,725</u>	<u>\$ 657,480</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, 2019 and 2018, are summarized as follows:

September 30, 2019:	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
<b><u>FOOD BANK</u></b>			
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 92,401	\$ 92,401	\$ -
Long-Term Investments:			
U.S. Treasuries	182,959	182,959	-
Corporate Bonds	733,413	745,456	12,043
Government Obligations	350,984	348,641	(2,343)
Municipal Bonds	126,245	128,162	1,917
Mortgage Pools	2,397	2,495	98
CMO & Asset backed Securities	46,877	52,783	5,905
Common Stocks and Other	1,169,586	1,921,256	751,670
	<u>2,612,461</u>	<u>3,381,752</u>	<u>769,290</u>
Total Food Bank	<u>\$ 2,704,862</u>	<u>\$ 3,474,153</u>	<u>\$ 769,290</u>

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

<b><u>FOUNDATION</u></b>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
Short-Term Investments:			
Money Market Accounts (cash equivalents)	\$ 51,533	\$ 51,533	\$ -
Long-Term Investments:			
Corporate Bonds	429,897	434,244	(4,346)
Government Obligations	176,165	174,945	1,220
Municipal Bonds	56,324	55,677	648
Common Stocks and Other	1,240,999	2,055,020	(813,878)
	<u>1,903,385</u>	<u>2,719,886</u>	<u>(816,356)</u>
Total Foundation	<u>\$ 1,954,918</u>	<u>\$ 2,771,419</u>	<u>\$ (816,356)</u>
Total Food Bank and Foundation	<u>\$ 4,659,780</u>	<u>\$ 6,245,572</u>	<u>\$ (47,066)</u>
September 30, 2018:			
<b><u>FOOD BANK</u></b>	Cost	Market Value (Level 1)	Unrealized Gain/(Loss)
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>

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**NOTE 3 - INVESTMENTS - CONTINUED**

<b><u>FOUNDATION</u></b>	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>

**NOTE 4 - PLEDGES RECEIVABLE**

Unconditional pledges receivable for the capital campaign as of September 30, 2019 and 2018, are as follows:

	2019	2018
Receivables due in less than one year	\$ -	\$ 42,868
Receivables due in less than two years	-	-
	<u>\$ -</u>	<u>\$ 42,868</u>

**NOTE 5 - PROPERTY AND EQUIPMENT**

The major classes of property and equipment held as of September 30, 2019 and 2018, are as follows:

	Life	2019	2018
Land	-	\$ 3,056,775	\$ 3,056,775
Building	5-50 years	19,188,703	19,080,875
Office Equipment	3-10 years	1,376,217	1,330,246
Warehouse Equipment	3-10 years	752,360	672,240
Vehicles	5-8 years	3,676,478	3,146,871
Kitchen Equipment	5-10 years	452,778	441,013
Garden	5-10 years	161,297	161,297
Agency Capacity	5-10 years	63,946	63,946
		<u>28,728,554</u>	<u>27,953,263</u>
Accumulated Depreciation		<u>(4,763,598)</u>	<u>(3,846,736)</u>
		<u>\$ 23,964,956</u>	<u>\$ 24,106,527</u>

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**NOTE 5 - PROPERTY AND EQUIPMENT - CONTINUED**

Depreciation expense of \$1,065,819 and \$1,000,809 was recorded during the years ended September 30, 2019 and 2018, 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, 2019 and 2018, was \$199,596 and \$189,617, respectively.

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**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:

	2019	2018
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	(299,960)	(405,819)
Total	\$ 17,970,040	\$ 17,864,181

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.

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**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, 2019 and 2018.

**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, 3.22% at September 30, 2019. 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:

	2019	2018
Balance outstanding at September 30:	\$ 1,480,834	\$ 1,774,291

Future maturities of long-term debt are as follows:

September 30,	
2020	\$ 293,457
2021	293,457
2022	893,920
	\$ 1,480,834

**NOTE 9 - CITY AND COUNTY GRANTS**

Expenditures of the City of Austin and Travis County grant funds for the years ended September 30, 2019 and 2018, were \$499,319 and \$543,447, respectively.

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**NOTE 10 - NET ASSETS**

The following are net assets with board designations which the Organizations held at September 30:

	<u>2019</u>	<u>2018</u>
For Future Food Distribution	\$ 3,094,043	\$ 1,868,517
For Property and Equipment	4,415,301	5,394,874
For Operating Reserve	3,333,861	3,122,160
For CAFB Foundation	2,620,325	2,549,112
Total Net Assets with Board Designations	<u>\$ 13,463,530</u>	<u>\$ 12,934,663</u>

Board designated net assets are those funds set aside by the Board of the Organizations for the purpose of future planning and management of assets. These amounts can be undesignated or more funds can be designated by the board and can only be used for the specific purposes as noted above.

The following are net assets with donor restrictions which the Organizations held at September 30:

	<u>2019</u>	<u>2018</u>
Time or Purpose:		
Healthy Pantry Initiative	\$ 230,112	\$ 20,954
Property and Equipment	135,560	-
Miscellaneous Programs	79,979	62,500
Commodity Supplemental Food Program	38,507	7,000
Snack Pack	37,190	-
Nutrition Education Incentives	28,730	-
Middle Mile	11,786	-
Culinary Training	8,826	-
HI/Diabetes Grant	5,813	-
Food for Thought	-	4,810
Starbucks Program	-	3,040
White Mail and Other	-	728
	<u>576,503</u>	<u>99,032</u>
In Perpetuity:		
Foundation	<u>151,094</u>	<u>151,094</u>
Total Net Assets with Donor Restrictions	<u>\$ 727,597</u>	<u>\$ 250,126</u>

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**NOTE 10 - NET ASSETS - CONTINUED**

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:

	2019	2018
Food Purchase	\$ 235,397	\$ 122,030
Kids' Café Program	184,506	99,025
Mobile Food Pantries	169,445	70,640
Healthy Options Program for the Elderly (HOPE)	129,255	160,627
Backpack Program	117,598	119,577
Starbucks Program	116,770	82,738
Healthy Pantry Initiative	92,486	-
Property and Equipment	56,728	74,935
Food Rescue Program	53,000	59,300
Power Pack	48,618	1,383
Food Stamp / Feeding Texas	47,727	-
Culinary Training	42,187	-
Middle Mile	42,167	-
Commodity Supplemental Food Program	42,134	20,191
Listen for Good	30,515	14,485
Fresh Food for Families Program	26,855	28,227
Miscellaneous Programs	25,507	33,015
HI / Diabetes Grant	19,770	-
ACA Outreach	10,000	-
Summer Feeding Program	5,650	25,000
Snack Pack	3,040	4,339
Nutrition Education Incentives	728	5,772
Disaster Relief	-	853,767
Enterprise / FA Grant	-	72,292
SNAP - Saint David's Foundation	-	46,363
Feeding America SNAP Pilot	-	1,337
Food for Thought	-	1,174
	<u>\$ 1,500,083</u>	<u>\$ 1,896,217</u>



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**NOTE 11 - CONTRIBUTIONS**

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

	2019	2018
Individuals	\$ 5,359,404	\$ 4,826,594
Special Events and Other	2,883,903	2,513,852
Businesses	2,091,158	1,811,098
Foundations	637,644	597,188
Religious and Service Organizations	82,252	330,841
	<u>\$ 11,054,361</u>	<u>\$ 10,079,573</u>

**NOTE 12 - 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, 2019 and 2018, the Food Bank recognized \$958,762 and \$1,035,591 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 \$958,762 and \$1,035,591 in 2019 and 2018, respectively.

**NOTE 13 - 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, 2019 and 2018, the Food Bank contributed \$222,584 and \$179,368, respectively.

**NOTE 14 - 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 \$3,161,668 at financial institutions exceeded federally guaranteed limits at September 30, 2019.

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 \$143,934 in money market accounts were not insured by the FDIC at September 30, 2019.

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**NOTE 15 - 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 373,436 and 411,660 pounds of food as a result of this affiliation during the periods ended September 30, 2019 and 2018, respectively. The Food Bank paid affiliate fees (dues) of \$31,968 and \$27,018 to Feeding America in 2019 and 2018, respectively.

Certain members of the Board of Directors of the Organizations contributed \$70,732 and \$76,157 during the years ended September 30, 2019 and 2018, respectively. The Organizations expensed \$2,358 and \$0 for services from companies to which certain members of the Board of Directors are associated during the years ended September 30, 2019 and 2018, respectively.

**NOTE 16 - LIQUIDITY AND AVAILABILITY**

The table below presents financial assets available for general expenditures within one year at September 30, 2019 and 2018:

	2019	2018
Financial assets at year end:		
Cash and Cash Equivalents	\$ 3,308,060	\$ 2,502,768
Investments	6,101,638	6,317,758
Accounts Receivable	826,750	924,211
Pledges Receivable - Capital Campaign	-	42,868
Notes Receivable	12,745,100	12,745,100
	22,981,548	22,532,705
Less amounts not available to be used within one year:		
Net Assets with Board Designations		
For Property and Equipment	4,415,301	5,394,874
For CAFB Foundation	2,620,325	2,549,112
Note Receivable	12,745,100	12,745,100
Net Assets with Donor Restrictions	727,597	250,126
	20,508,323	20,939,212
Financial assets available to meet general expenditures within one year	\$ 2,473,225	\$ 1,593,493

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**NOTE 16 - LIQUIDITY AND AVAILABILITY - CONTINUED**

The Food Bank's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash may be invested in short term investments, including money market accounts, certificates of deposit, and U.S. Treasuries. Excess cash may also be invested in instruments like stocks and bonds that are easily converted to cash. A final potential source of liquidity is provided by funds from the Central Texas Food Bank Foundation that is treated as a quasi-endowment. Funds from the Foundation may be tapped if required in circumstances approved by the Board of Director of both organizations.

**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, 2019**

ASSETS	Food Bank		
	Operating	Property and Equipment	Operating Reserve
Cash and Cash Equivalents	\$ 4,540,204	\$ (1,345,111)	\$ 52,410
Investments	100,301	-	3,281,451
Accounts Receivable	826,750	-	-
Food Inventory Held for Distribution	3,094,043	-	-
Purchased Food Inventory	120,865	-	-
Prepaid Expenses	125,726	3,963	-
Pledges Receivable - Capital Campaign	-	-	-
Property and Equipment (Net of Accumulated Depreciation of \$4,763,598)	-	2,797,915	-
Notes Receivable	12,745,100	-	-
<b>TOTAL ASSETS</b>	<b>\$ 21,552,989</b>	<b>\$ 1,456,767</b>	<b>\$ 3,333,861</b>
<b>LIABILITIES AND NET ASSETS</b>			
Liabilities:			
Accounts Payable	\$ 339,244	\$ 25,945	\$ -
Accrued Liabilities	462,684	-	-
Deferred Revenue	399,281	-	-
Long-Term Debt	1,480,834	-	-
New Market Tax Credit Notes Payable	-	-	-
<b>Total Liabilities</b>	<b>2,682,043</b>	<b>25,945</b>	<b>-</b>
Net Assets:			
Unrestricted:			
Undesignated	15,430,512	-	-
Designated for Future Food Distribution	3,094,043	-	-
Designated for Property and Equipment	-	1,200,710	-
Designated for Operating Reserve	-	-	3,333,861
Designated for CAFB Foundation	-	-	-
<b>Total Unrestricted</b>	<b>18,524,555</b>	<b>1,200,710</b>	<b>3,333,861</b>
Temporarily Restricted	346,391	230,112	-
Permanently Restricted	-	-	-
<b>Total Net Assets</b>	<b>18,870,946</b>	<b>1,430,822</b>	<b>3,333,861</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 21,552,989</b>	<b>\$ 1,456,767</b>	<b>\$ 3,333,861</b>

See Independent Auditors' Report

Total	Foundation	Support Corporation	Eliminations	Consolidated
\$ 3,247,503	\$ 51,533	\$ 9,024	\$ -	\$ 3,308,060
3,381,752	2,719,886	-	-	6,101,638
826,750	-	-	-	826,750
3,094,043	-	-	-	3,094,043
120,865	-	-	-	120,865
129,689	-	8,566	-	138,255
-	-	-	-	-
2,797,915	-	21,167,041	-	23,964,956
12,745,100	-	-	-	12,745,100
<u>\$ 26,343,617</u>	<u>\$ 2,771,419</u>	<u>\$ 21,184,631</u>	<u>\$ -</u>	<u>\$ 50,299,667</u>
\$ 365,189	\$ -	\$ -	\$ -	\$ 365,189
462,684	-	-	-	462,684
399,281	-	-	-	399,281
1,480,834	-	-	-	1,480,834
-	-	17,970,040	-	17,970,040
<u>2,707,988</u>	<u>-</u>	<u>17,970,040</u>	<u>-</u>	<u>20,678,028</u>
15,430,512	-	-	-	15,430,512
3,094,043	-	-	-	3,094,043
1,200,710	-	3,214,591	-	4,415,301
3,333,861	-	-	-	3,333,861
-	2,620,325	-	-	2,620,325
<u>23,059,126</u>	<u>2,620,325</u>	<u>3,214,591</u>	<u>-</u>	<u>28,894,042</u>
576,503	-	-	-	576,503
-	151,094	-	-	151,094
<u>23,635,629</u>	<u>2,771,419</u>	<u>3,214,591</u>	<u>-</u>	<u>29,621,639</u>
<u>\$ 26,343,617</u>	<u>\$ 2,771,419</u>	<u>\$ 21,184,631</u>	<u>\$ -</u>	<u>\$ 50,299,667</u>

**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, 2019**

	Food Bank					
	Operating Fund		Property and Equipment		Operating Reserve	Total
	Without Donor Restrictions	Time and/or Purpose Donor Restrictions	Without Donor Restrictions	Time and/or Purpose Donor Restrictions		
<b>PUBLIC SUPPORT AND REVENUE</b>						
Public Support:						
Donated Food Received for Distribution	\$ 74,753,257	\$ -	\$ -	\$ -	\$ -	\$ 74,753,257
Grants and Contracts	3,698,054	-	-	-	-	3,698,054
Contributions	9,029,861	1,711,668	174,067	265,886	-	11,181,482
Revenue:						
Program Service Fees	3,128,465	-	-	-	-	3,128,465
Investment Return, Net	146,690	-	-	-	211,701	358,391
Other	49,118	-	(31,561)	-	-	17,557
	90,805,445	1,711,668	142,506	265,886	211,701	93,137,206
Net Assets Released from Restrictions	1,443,355	(1,443,355)	56,728	(56,728)	-	-
Total Public Support and Revenue	92,248,800	268,313	199,234	209,158	211,701	93,137,206
<b>EXPENSES</b>						
Program Services:						
Donated Food Program	87,151,640	-	454,084	-	-	87,605,724
Supporting Services:						
Management and General	1,429,249	-	17,466	-	-	1,446,715
Fund Raising	2,286,052	-	17,195	-	-	2,303,247
Total Expenses	90,866,941	-	488,745	-	-	91,355,686
Change in Net Assets	1,381,859	268,313	(289,511)	209,158	211,701	1,781,520
Transfers Among Funds	-	-	-	-	-	-
Net Assets at Beginning of Year	17,142,696	78,078	1,490,221	20,954	3,122,160	21,854,109
Net Assets at End of Year	\$ 18,524,555	\$ 346,391	\$ 1,200,710	\$ 230,112	\$ 3,333,861	\$ 23,635,629

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, 2019 - Continued**

	Foundation			Support Corporation		Eliminations	Consolidated Total
	Foundation Funds			Support Corporation Funds			
	Without Donor Restrictions	In Perpetuity Donor Restrictions	Total	Without Donor Restrictions	Total		
<b>PUBLIC SUPPORT AND REVENUE</b>							
Public Support:							
Donated Food Received for Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,753,257
Grants and Contracts	-	-	-	-	-	-	3,698,054
Contributions	-	-	-	284,841	284,841	(411,962)	11,054,361
Revenue:							
Program Service Fees	-	-	-	-	-	-	3,128,465
Investment Return, Net	198,334	-	198,334	-	-	-	556,725
Other	-	-	-	-	-	-	17,557
	198,334	-	198,334	284,841	284,841	(411,962)	93,208,419
Net Assets Released from Restrictions	-	-	-	-	-	-	-
Total Public Support and Revenue	198,334	-	198,334	284,841	284,841	(411,962)	93,208,419
<b>EXPENSES</b>							
Program Services:							
Donated Food Program	127,121	-	127,121	865,836	865,836	(411,962)	88,186,719
Supporting Services:							
Management and General	-	-	-	85,016	85,016	-	1,531,731
Fund Raising	-	-	-	24,051	24,051	-	2,327,298
Total Expenses	127,121	-	127,121	974,903	974,903	(411,962)	92,045,748
Change in Net Assets	71,213	-	71,213	(690,062)	(690,062)	-	1,162,671
Transfers Among Funds	-	-	-	-	-	-	-
Net Assets at Beginning of Year	2,549,112	151,094	2,700,206	3,904,653	3,904,653	-	28,458,968
Net Assets at End of Year	\$ 2,620,325	\$ 151,094	\$ 2,771,419	\$ 3,214,591	\$ 3,214,591	\$ -	\$ 29,621,639

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**CENTRAL TEXAS FOOD BANK, INC**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor Number	Disbursements	Pass-Through To Subrecipients
<b><u>U.S. Department of Agriculture</u></b>				
Passed Through the Texas Department of Agriculture (TDA)				
CACFP	10.558	01576	\$ 410,283	\$ -
Summer Food Service Program	10.559	01576	275,622	-
<b><u>The Emergency Food Assistance - Cluster</u></b>				
Texas Commodity Assistance Emergency Food Assistance Program (Food Commodities) (Note A)	10.569	01576	10,252,579	6,536,353
Texas Commodity Assistance Emergency Food Assistance Program (Administrative Costs)	10.568	01576	708,749	-
Texas Commodity Assistance Trade Mitigation Program (Administrative Costs)	10.178	01576	286,995	-
Commodity Supplemental Food Program (Food Commodities) (Note B)	10.565	01576	803,755	803,755
Commodity Supplemental Food Program (Administrative Costs)	10.565	01576	250,013	-
	Total 10.565		1,053,768	803,755
			Total passed through TDA	7,340,108
<b>Total U. S. Department of Agriculture</b>			12,987,996	7,340,108
<b><u>Department of Homeland Security</u></b>				
Emergency Food and Shelter National Board Program	97.024	7824-00-006	141,331	86,212
<b>Total Department of Homeland Security</b>			141,331	86,212
<b>TOTAL FEDERAL AWARDS</b>			\$ 13,129,327	\$ 7,426,320

Note A - This program represents food with a value of \$10,252,579 which was distributed under the TEFAP program.

Note B - This program represents food with a value of \$803,755 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, 2019**

**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, 2019. 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	CFDA 97.024	Total
	TEFAP	CSFP	EFSP	
A New Entry Inc.	\$ 5,341	\$ -	\$ 769	\$ 6,110
A New Entry McCabe Center	13,233	-	1,788	15,021
ABC - FBC Elgin	28,369	-	-	28,369
ABC - Primera Baptist Church	45,204	-	-	45,204
Abiding Love Lutheran Church	28,718	10,492	1,187	40,397
Acts Storehouse	25,623	-	-	25,623
Agape Food Pantry of Taylor	9,379	-	331	9,710
AIDS Services of Austin	22,717	-	730	23,447
ALCOG	30,421	-	-	30,421
AMEN	17,245	-	-	17,245
Antioch Food Pantry	5,567	-	-	5,567
Assembly of Prayer Food Pantry	6,865	-	-	6,865
ATCIC Project Recovery	2,151	-	58	2,209
Austin Baptist Chapel	121	-	-	121
Austin Restoration Ministries	6,914	-	89	7,003

**CENTRAL TEXAS FOOD BANK, INC**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Austin Shelter: Women/Children	\$ 1,447	\$ -	\$ 54	\$ 1,501
Austin Spanish Seventh Day Adv	32,102	-	466	32,568
Austin Voices Burnet	12,773	-	-	12,773
Austin Voices Dobie	14,494	-	-	14,494
Austin Voices Lanier	9,927	-	-	9,927
Austin Voices Webb	8,061	-	-	8,061
B & G Club Clements Teen Ctr	9,010	-	-	9,010
B & G Club Gatesville	487	-	-	487
Bannockburn Baptist Church	11,817	-	686	12,503
Baptist Benevolence Ministry	17,040	-	-	17,040
Bastrop County Food Pantry	45,561	19,187	-	64,748
Bethany Faith Food Pantry	6,806	-	86	6,892
Blackland Neighborhood Center	9,735	-	-	9,735
Blanco Good Samaritan	69,959	-	-	69,959
Blessings From God FP	40,528	-	-	40,528
Bread For All	26,681	-	1,111	27,792
Briggs Baptist Church Pantry	4,708	-	-	4,708
Buda UMC Food Pantry	24,722	-	-	24,722
Burke Foundation	828	-	-	828
C.L.C. Food Pantry	4,019	-	-	4,019
Caldwell County Christian	120,949	-	-	120,949
Caritas of Austin	314	-	-	314
Caritas of Mexia	32,850	-	-	32,850
Caritas of Waco, Inc.	219,685	37,972	-	257,657
Carver Park Baptist Church	20,329	-	-	20,329
Casa Marianella	8,098	-	182	8,280
Celebration House	5,836	-	-	5,836
Cenikor Foundation	6,676	-	-	6,676
Cenikor Foundation Austin	7,449	-	-	7,449
Cen-Tex Alcoholic Rehab	37,484	-	-	37,484
Central Faith CDC	5,409	-	-	5,409
Central Texas Children's Center	226	-	-	226
Central TX Children's Home	3,104	-	-	3,104
Chapel of the Hills	22,369	-	-	22,369
Chilton Community Food Pantry	12,295	-	-	12,295
Christ the King Catholic Church	8,502	-	-	8,502
Christian Farms Treehouse	13,923	-	-	13,923
Church of Christ Marble Falls	15,282	-	-	15,282
Church of the Open Door	93,002	-	-	93,002

**CENTRAL TEXAS FOOD BANK, INC**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Churches Touching Lives for Christ	\$ 150,897	\$ 198,899	\$ -	\$ 349,796
Circle of Hope Community Ctr	7,779	10,565	-	18,344
CIS Connections Program	181	-	-	181
CIS-Greater Central Texas Inc	131	-	-	131
City View at the Park	-	568	-	568
Cobblestone Court	-	3,477	-	3,477
Community Cupboard	7,016	-	-	7,016
Community of Hope Inc.	6,817	-	-	6,817
Cornerstone Fellowship	15,380	-	-	15,380
Cove House	757	-	-	757
Covenant Food Pantry	37,762	-	1,857	39,619
Cristo Rey Social Ministries	7,977	-	315	8,292
Destiny Food Pantry	10,178	-	-	10,178
Dorcas Passion Ministries	8,254	-	932	9,186
East Austin Neighborhood Center	7,351	-	49	7,400
Ebenezer CDC	7,972	-	171	8,143
Eberhart Place	-	7,048	-	7,048
El Buen Samaritano	27,119	-	1,896	29,015
Elgin Seventh Day Adventist	28,604	-	-	28,604
Eternal Faith Baptist Church	13,763	-	1,237	15,000
Faith Food Pantry	15,987	-	49	16,036
Falls Co. Samaritan House	13,652	-	-	13,652
Families in Crisis	6,633	-	-	6,633
Families in Crisis, Temple	3,573	-	-	3,573
Family Abuse Center	1,573	-	-	1,573
Family Crisis Center--Bastrop	1,464	-	-	1,464
Family of Faith	1,409	-	-	1,409
Feed the Comm. Pantry/Gateway	10,518	-	662	11,180
First Baptist Church - Salado	4,157	-	-	4,157
First Baptist Church Marble Falls	14,785	-	-	14,785
First Baptist Church of Kyle	12,809	-	-	12,809
Fishes & Loaves	9,602	-	-	9,602
Florence Community Food Pantry	12,414	-	543	12,957
Food Care Center	295,530	-	-	295,530
Foundation Comm. - Crossroads	7,259	-	79	7,338
Foundation Comm.- Lakeline	10,197	-	-	10,197
Foundation Comm.- Arbor Terrace	5,943	-	515	6,458
Foundation Comm.- Bluebonnet Studios	4,533	-	-	4,533
Foundation Comm.- Capital Studios	6,124	-	242	6,366

**CENTRAL TEXAS FOOD BANK, INC**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Foundation Comm.- Cardinal Points	\$ 11,378	\$ -	\$ 219	\$ 11,597
Foundation Comm.- Daffodil	8,900	-	100	9,000
Foundation Comm.- Garden Terrace	6,680	-	310	6,990
Foundation Comm.- Homestead Oaks	767	-	302	1,069
Foundation Comm.- M Station	11,644	-	253	11,897
Foundation Comm.- Sierra Ridge	15,460	-	297	15,757
Foundation Comm.- Sierra Vista	19,127	-	645	19,772
Foundation Comm.- Skyline Terrace	4,959	-	-	4,959
Foundation Comm.- Spring Terrace	5,397	-	364	5,761
Foundation Comm.- SW Trails	9,917	-	178	10,095
Foundation Comm.- Trails	8,573	-	213	8,786
Foundation Comm.-Vintage	15,932	-	-	15,932
Franklin Gardens	-	3,852	-	3,852
Fredericksburg Food Pantry	50,390	-	-	50,390
Friends in Crisis	7,365	-	-	7,365
Front Steps (ARCH)	3,797	-	-	3,797
Gatesville Care Center	108,222	-	-	108,222
Georgetown Back Pack Buddy	9,254	-	-	9,254
Gethsemane Lutheran Church	3,614	-	301	3,915
Giddings Food Pantry	56,500	-	-	56,500
Glad Tidings Food Pantry	12,880	-	-	12,880
Goldthwaite Evangelism Center	17,125	-	-	17,125
Goodwill Excel Center	1,382	-	246	1,628
Grace Baptist Church	85,676	-	-	85,676
Grace Baptist Church	-	15,449	-	15,449
Greater Christ Gospel	21,818	-	-	21,818
Greater Mount Zion Baptist	17,164	-	1,322	18,486
Green Doors	3,260	-	323	3,583
HACA - Booker T. Washington	-	4,366	-	4,366
HACA - Bouldin Oaks	-	5,212	-	5,212
HACA - Gaston	-	8,412	-	8,412
HACA - Georgian Manor	-	2,530	-	2,530
HACA - Lakeside	-	19,266	-	19,266
HACA - Manchaca II	-	1,590	-	1,590
HACA - Manchaca Village	-	1,365	-	1,365
HACA - Northloop	-	17,006	-	17,006
HACA - Pathways at Chalmers Courts South	-	2,251	-	2,251
HACA - Rosewood Courts	-	1,971	-	1,971
HACA - Salina	-	2,029	-	2,029

**CENTRAL TEXAS FOOD BANK, INC**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
HACA - Santa Rita Courts	\$ -	\$ 1,761	\$ -	\$ 1,761
HACA - Shadowbend Ridge	-	2,222	-	2,222
HACA - Thurmond	-	4,680	-	4,680
HACA-Coronado Hills	-	3,849	-	3,849
Hamilton-Manjang Mission House	44,240	-	-	44,240
Hands of Love	6,296	-	-	6,296
Hands of Mercy Waco	11,802	-	-	11,802
Harker Heights Food Center	16,974	-	-	16,974
Haynie Chapel UMC	25,715	-	1,314	27,029
Hays County Food Bank	50,041	-	-	50,041
Heaven's Harvest	11,271	-	-	11,271
Helping Center Marble Falls	56,265	-	-	56,265
Helping Hands Dripping Springs	39,405	-	-	39,405
Helping Hands Ministries	114,233	-	-	114,233
Heritage Pointe Apartments	-	18,829	-	18,829
Highland Lakes COC	20,816	-	-	20,816
Highland Lakes Family Crisis	2,549	-	-	2,549
Hill Country Comm. Ministries	123,194	-	4,501	127,695
Holy Family SVDP	107,225	-	-	107,225
Hope Food Pantry Austin	14,292	-	1,778	16,070
Hope Lutheran Church	4,347	-	421	4,768
House of Mercy	31,471	-	-	31,471
House Where Jesus Shines, The	4,097	-	-	4,097
Houston Food Bank	-	22,937	-	22,937
Hutto Resource Center	10,132	-	1,622	11,754
Hyde Park Baptist Church	12,217	-	863	13,080
ICNA-NAMCC Food Pantry	13,106	-	458	13,564
IE Inc.	9,424	-	425	9,849
Impact Now Dove Springs	29,748	-	1,002	30,750
Jarrell Community Food Pantry	19,894	-	826	20,720
Joe Roland Community Center	4,044	-	-	4,044
Johnson City Christian Food Pantry	5,300	-	-	5,300
Joseph's Ministry	5,610	-	-	5,610
Joseph's Storehouse	17,249	-	-	17,249
Keep Kids Fed	4,587	-	-	4,587
Kidz Turn	5,409	-	-	5,409
Killeen Empowerment Center	8,216	-	-	8,216
Kingdom of God Christian	1,647	-	135	1,782
La Care	57,272	-	-	57,272

**CENTRAL TEXAS FOOD BANK, INC**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Lake Travis Crisis Ministries	\$ 17,916	\$ -	\$ 844	\$ 18,760
LAMA Luling Food Bank	16,257	-	-	16,257
Lampasas Mission	26,215	15,688	-	41,903
Leander Church of Christ	27,049	-	1,276	28,325
Llano Food Pantry	2,672	-	-	2,672
Lometa Food Pantry	6,876	-	-	6,876
Lord's Community Storehouse	27,575	-	-	27,575
Lorena Shepherds Heart	19,589	-	-	19,589
Love & Learning	4,409	-	-	4,409
Love of Christ	118,441	19,037	-	137,478
Lucero Apartments	-	3,639	-	3,639
Manor Bread Basket	5,705	-	318	6,023
Manos de Cristo	6,517	-	490	7,007
Mary Lee Found. Southpointe	8,674	-	1,113	9,787
Mary Lee Foundation	9,357	-	916	10,273
MCC Food Pantry	13,045	-	-	13,045
Micah 6	106,405	-	2,764	109,169
Mision Cristiana Intl/LIDS	5,917	-	163	6,080
Mission Possible B.A.G.S.	4,098	-	115	4,213
Mission Waco-Manna House	1,564	-	-	1,564
Montopolis Neighborhood Center	1,687	-	25	1,712
Nolanville Food Pantry	26,117	-	-	26,117
Oak Hill Baptist Church	32,232	-	2,197	34,429
OFCC Food Pantry	10,913	-	-	10,913
Olivet Helping Hands Center	10,166	-	1,202	11,368
Onion Creek Senior Citizens	2,138	-	-	2,138
Operation Liberty Hill	23,353	-	973	24,326
Operation Phantom Support	191,649	-	-	191,649
Our Lady of Guadalupe	8,823	-	620	9,443
Our Ladys Maronite Food Pantry	7,481	-	316	7,797
PARD - Gus Garcia Rec Center	-	30,098	-	30,098
PARD - South Austin Senior Center	-	703	-	703
PARD - Virginia Brown Rec Center	-	3,652	-	3,652
PARD Conley Guerrero Recreation	-	14,398	-	14,398
Pflugerville First UMC	22,605	-	1,183	23,788
Phoenix House	3,059	-	-	3,059
Primrose of Shadow Creek	-	15,375	-	15,375
Principe De Paz	28,425	-	1,178	29,603
Project Transitions	4,886	-	466	5,352

**CENTRAL TEXAS FOOD BANK, INC**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
Rayo de Luz Pantry	\$ 190	\$ -	\$ -	\$ 190
RBJ-Rebekkah B. Johnson	-	20,804	-	20,804
Reveal Resource Center	117,076	4,964	4,897	126,937
River City Youth	143	-	-	143
Rockdale Christian Services	9,872	16,790	-	26,662
ROL Community Food Pantry	34,990	63,459	-	98,449
Rosanky Baptist Church	14,040	-	-	14,040
Rosewood-Zaragosa Center	3,047	-	-	3,047
Round Rock Serving Center	234,595	-	-	234,595
Sacred Heart Catholic Church	3,133	-	-	3,133
SAFE	10,719	-	657	11,376
Saint Louise House	4,893	-	421	5,314
Saint Louise House (Lamar)	4,928	-	193	5,121
Salvation Army Shelter Austin	4,946	-	79	5,025
Salvation Army Temple	12,722	-	876	13,598
San Antonio Food Bank	-	909	-	909
Santa Cruz Catholic Church	13,535	-	25	13,560
Santa Rosa Food Pantry	90,854	-	3,025	93,879
Schulenburg Area Food Pantry	20,835	-	-	20,835
Second Missionary Bap. Church	19,225	-	-	19,225
Seventh Day Adventist RR	15,358	-	328	15,686
Sharing the Harvest	66,779	-	-	66,779
Shepherd's Heart - Elm Mott	13,907	-	-	13,907
Shepherd's Heart - Living Word	15,657	-	-	15,657
Shepherd's Heart - Robinson	41,231	-	-	41,231
Shepherd's Heart - Taylor	108,095	42,821	-	150,916
Shepherd's Heart - Waco	415,003	48,459	-	463,462
Shepherd's Heart VLC	17,544	-	-	17,544
Smithville Food Pantry	51,792	17,541	-	69,333
South Austin Church of Nazarene	27,814	-	1,833	29,647
South Austin Neighborhood Ctr	6,511	-	-	6,511
South Texas Food Bank	-	15,146	-	15,146
Southside Church of Christ FP	27,525	-	-	27,525
Spicewood Helping Hand Crisis	17,286	-	783	18,069
SSVDP Council	17,203	-	921	18,124
St. Andrews Presbyterian Church	17,839	-	698	18,537
St. Anthony Marie de Claret	269	13,911	-	14,180
St. Edward's Baptist Church	1,782	-	215	1,997
St. Elizabeth-SVDP	9,031	-	436	9,467



**CENTRAL TEXAS FOOD BANK, INC**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

Agency Name	CFDA 10.569 TEFAP	CFDA 10.565 CSFP	CFDA 97.024 EFSP	Total
St. George's Court	\$ 4,062	\$ 8,213	\$ 216	\$ 12,491
St. Ignatius Catholic Church	73,750	-	3,465	77,215
St. Johns Community Center	3,090	-	62	3,152
St. Louis Food Pantry	261	-	1,219	1,480
St. Mary's Catholic Church	19,029	-	-	19,029
St. Vincent de Paul - Temple	56,211	-	-	56,211
Stonehaven Resident Council	5,263	-	-	5,263
SVDP Round Rock	7,607	-	-	7,607
SVDP St. Martin de Porres	19,412	-	-	19,412
Taylor's Valley Baptist Church	39,050	-	-	39,050
Texas Baptist Children's Home	241	-	74	315
The Caring Place	160,210	-	13,895	174,105
The Refuge Mobile Food Pantry	24,554	-	-	24,554
Travis Co Com Ctr at Palm Square	52,367	-	-	52,367
Travis Co Comm Ctr Pflugerville	127,935	-	-	127,935
Travis Co Comm Ctr at Post Rd	37,364	-	-	37,364
Travis Co Comm Ctr Del Valle	29,110	-	37	29,147
Travis Co Comm Ctr Jonestown	49,924	-	-	49,924
Travis Co Comm Ctr Oak Hill	27,543	-	-	27,543
Travis County Com Ctr at Manor	43,261	-	-	43,261
Travis Heights Food Pantry	11,172	-	-	11,172
Trinity CDC	2,313	-	325	2,638
Trinity Center	314	-	-	314
Village Christian	-	5,195	-	5,195
Vineyard Christian Fellowship	21,704	-	408	22,112
Waco Child Care	8,159	-	-	8,159
Welcome Table	8,664	-	162	8,826
Western Trails Apartments	-	5,760	-	5,760
Westover Hills Church of Chris	3,834	-	305	4,139
Wildflower Terrace Senior Apartments	-	2,998	-	2,998
William's House	6,818	-	-	6,818
Williamson County Crisis Ctr	238	-	-	238
Zion Chapel MBC	6,985	6,410	-	13,395
	<u>\$ 6,536,353</u>	<u>\$ 803,755</u>	<u>\$ 86,216</u>	<u>\$ 7,426,324</u>



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, 2019, 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 17, 2020.

**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 17, 2020



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, 2019. 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, 2019.

## **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 17, 2020

**CENTRAL TEXAS FOOD BANK, INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**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, 2019**

No prior year findings.