



*Reports of Independent Auditors and
Financial Statements with
Supplementary Information*

Alameda County Community Food Bank

June 30, 2021 and 2020

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Report of Independent Auditors

To the Board of Directors
Alameda County Community Food Bank

Report on the Financial Statements

We have audited the accompanying financial statements of Alameda County Community Food Bank (the "Food Bank"), which comprise the statements of financial position as June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Food Bank's preparation and fair presentation of the 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 Food Bank'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Alameda County Community Food Bank as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, 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 and the Schedule of Other Government Awards* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 November 3, 2021, on our consideration of the Food Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the Food Bank's 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 the Food Bank's internal control over financial reporting and compliance.

Moss Adams LLP

San Francisco, California
November 3, 2021

Financial Statements

Alameda County Community Food Bank
Statements of Financial Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 50,834,107	\$ 27,665,063
Grants receivable	3,886,996	2,313,167
Promises to give, net	787,158	1,518,856
Program revenue and other receivables	94,233	92,818
Inventory	3,603,230	2,090,325
Prepaid expenses and deposits	512,305	290,200
Investments	6,458,307	5,877,680
Property and equipment, net	10,662,097	10,296,667
	<u>10,662,097</u>	<u>10,296,667</u>
Total assets	<u>\$ 76,838,433</u>	<u>\$ 50,144,776</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 2,059,871	\$ 998,525
Accrued compensated absences	768,167	501,857
Deferred revenue	40,007	57,331
Loan payable	-	1,467,100
	<u>-</u>	<u>1,467,100</u>
Total liabilities	<u>2,868,045</u>	<u>3,024,813</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	1,000,000	1,000,000
Board designated:		
Inventory	3,603,230	2,090,325
Property and equipment, net	10,662,097	10,296,667
Board designated (financial assets)	57,369,255	31,290,040
	<u>57,369,255</u>	<u>31,290,040</u>
Total board designated	<u>71,634,582</u>	<u>43,677,032</u>
Total net assets without donor restrictions	72,634,582	44,677,032
With donor restrictions	<u>1,335,806</u>	<u>2,442,931</u>
Total net assets	<u>73,970,388</u>	<u>47,119,963</u>
Total liabilities and net assets	<u>\$ 76,838,433</u>	<u>\$ 50,144,776</u>

Alameda County Community Food Bank
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Support and revenue:			
Donated commodities received	\$ 73,058,917	\$ -	\$ 73,058,917
Government revenue	18,959,696	-	18,959,696
Foundation/corporation grants	9,514,695	2,090,090	11,604,785
Individual contributions	32,471,082	131,916	32,602,998
Special events, gross	1,010,135	-	1,010,135
Program revenue	447,513	-	447,513
Interest and other income	304,138	-	304,138
Net realized loss on investments	(5,699)	-	(5,699)
Net assets released from restrictions	3,329,131	(3,329,131)	-
Total support and revenue	139,089,608	(1,107,125)	137,982,483
EXPESES			
Program expenses:			
Food distribution	98,058,533	-	98,058,533
Outreach	2,203,832	-	2,203,832
Agency services	3,221,624	-	3,221,624
Nutrition programs	248,559	-	248,559
Advocacy, research, and community engagement	1,453,193	-	1,453,193
Volunteer program	849,509	-	849,509
Total program services	106,035,250	-	106,035,250
INFRASTRUCTURE AND SUPPORTING SERVICES			
Resource development/fundraising	3,914,241	-	3,914,241
Management and general	2,997,657	-	2,997,657
Total infrastructure and supporting services	6,911,898	-	6,911,898
Total expenses	112,947,148	-	112,947,148
Total net operating income	26,142,460	(1,107,125)	25,035,335
NONOPERATING ACTIVITIES			
Net unrealized gain on investments	355,459	-	355,459
Extinguishment of loan payable	1,467,100	-	1,467,100
Net loss on disposal of equipment	(7,469)	-	(7,469)
Total non-operating income	1,815,090	-	1,815,090
CHANGES IN NET ASSETS	27,957,550	(1,107,125)	26,850,425
NET ASSETS, beginning of year	44,677,032	2,442,931	47,119,963
NET ASSETS, end of year	\$ 72,634,582	\$ 1,335,806	\$ 73,970,388

Alameda County Community Food Bank
Statement of Activities and Changes in Net Assets (Continued)
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Support and revenue:			
Donated commodities received	\$ 56,262,344	\$ -	\$ 56,262,344
Government revenue	6,255,474	-	6,255,474
Foundation/corporation grants	9,838,469	2,533,451	12,371,920
Individual contributions	25,197,054	372,832	25,569,886
Special events, gross	756,176	-	756,176
Program revenue	556,623	-	556,623
Interest and other income	242,825	-	242,825
Net realized gain on investments	11,130	-	11,130
Net assets released from restrictions	3,606,185	(3,606,185)	-
Total support and revenue	102,726,280	(699,902)	102,026,378
EXPESES			
Program expenses:			
Food distribution	68,301,586	-	68,301,586
Outreach	2,007,815	-	2,007,815
Agency services	1,372,560	-	1,372,560
Nutrition programs	221,041	-	221,041
Advocacy, research, and community engagement	1,345,081	-	1,345,081
Volunteer program	651,156	-	651,156
Total program services	73,899,239	-	73,899,239
INFRASTRUCTURE AND SUPPORTING SERVICES			
Resource development/fundraising	3,214,699	-	3,214,699
Management and general	2,642,658	-	2,642,658
Total infrastructure and supporting services	5,857,357	-	5,857,357
Total expenses	79,756,596	-	79,756,596
Net unrealized gain on investments	13,393	-	13,393
Extinguishment of loan payable	-	-	-
Net loss on disposal of equipment	(14,871)	-	(14,871)
Total non-operating loss	(1,478)	-	(1,478)
CHANGES IN NET ASSETS	22,968,206	(699,902)	22,268,304
NET ASSETS, beginning of year	21,708,826	3,142,833	24,851,659
NET ASSETS, end of year	\$ 44,677,032	\$ 2,442,931	\$ 47,119,963

Alameda County Community Food Bank
Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services							Infrastructure and Supporting Services			Total
	Food Distribution	Outreach	Agency Services	Nutrition Programs	Advocacy, Research and Community Engagement	Volunteer Program	Subtotal Total	Resource Development/ Fundraising	Management and General	Subtotal Total	
PERSONNEL COSTS											
Salaries	\$ 2,850,439	\$ 1,142,091	\$ 1,160,771	\$ 169,668	\$ 1,039,014	\$ 539,370	\$ 6,901,353	\$ 1,527,327	\$ 1,827,449	\$ 3,354,776	\$ 10,256,129
Payroll taxes	180,845	50,926	74,776	8,705	56,522	30,511	402,285	90,350	108,006	198,356	600,641
Employee benefits	744,272	313,026	315,180	38,404	229,798	131,733	1,772,413	349,905	507,628	857,533	2,629,946
Total personnel cost	3,775,556	1,506,043	1,550,727	216,777	1,325,334	701,614	9,076,051	1,967,582	2,443,083	4,410,665	13,486,716
OTHER EXPENSES											
Food handling and purchases	18,553,137	-	-	-	-	-	18,553,137	-	-	-	18,553,137
Professional services	444,639	67,964	121,901	17,558	48,389	42,514	742,965	230,104	299,055	529,159	1,272,124
Training and staff development	6,893	4,543	4,880	422	4,081	958	21,777	11,709	8,299	20,008	41,785
Office and administrative	124,459	12,719	16,776	1,091	8,398	8,032	171,475	33,353	123,262	156,615	328,090
Dues	28,016	-	-	-	1,750	310	30,076	15,321	4,464	19,785	49,861
Insurance	36,646	3,520	3,609	538	2,296	5,079	51,688	3,397	32,282	35,679	87,367
Occupancy	388,700	12,187	9,147	2,702	4,813	27,554	445,103	7,768	8,950	16,718	461,821
Resource development	21,209	-	-	-	-	158	21,367	1,281,076	-	1,281,076	1,302,443
Education and promotions	158,497	290,833	5,133	-	22,640	4,262	481,365	166,528	-	166,528	647,893
Community and agency services	11,440	239,173	1,430,942	656	500	-	1,682,711	-	-	-	1,682,711
Vehicles and transportation	1,070,069	-	-	-	-	-	1,070,069	-	-	-	1,070,069
Equipment	409,469	24,837	41,211	1,886	13,046	8,767	499,216	163,905	39,943	203,848	703,064
Depreciation	527,751	41,889	36,556	6,929	22,143	50,229	685,497	33,473	36,973	70,446	755,943
Travel	782	124	742	-	(197)	32	1,483	25	1,346	1,371	2,717
Total other expenses	21,781,707	697,789	1,670,897	31,782	127,859	147,895	24,457,929	1,946,659	554,574	2,501,233	26,959,162
TOTAL EXPENSES BEFORE											
Commodities distributed	25,557,263	2,203,832	3,221,624	248,559	1,453,193	849,509	33,533,980	3,914,241	2,997,657	6,911,898	40,445,878
Donated commodities distributed	72,501,270	-	-	-	-	-	72,501,270	-	-	-	72,501,270
Total expenses	\$ 98,058,533	\$ 2,203,832	\$ 3,221,624	\$ 248,559	\$ 1,453,193	\$ 849,509	\$ 106,035,250	\$ 3,914,241	\$ 2,997,657	\$ 6,911,898	\$ 112,947,148

Alameda County Community Food Bank
Statement of Functional Expenses (Continued)
Year Ended June 30, 2020

	Program Services						Infrastructure and Supporting Services			Total	
	Food Distribution	Outreach	Agency Services	Nutrition Programs	Advocacy, Research and Community Engagement	Volunteer Program	Subtotal Total	Resource Development/Fundraising	Management and General		Subtotal Total
PERSONNEL COSTS											
Salaries	\$ 2,156,219	\$ 996,465	\$ 715,581	\$ 137,001	\$ 879,967	\$ 408,486	\$ 5,293,719	\$ 1,219,774	\$ 1,587,910	\$ 2,807,684	\$ 8,101,403
Payroll taxes	150,092	61,296	51,399	4,506	61,775	29,028	358,096	87,036	96,609	183,645	541,741
Employee benefits	669,184	286,105	196,622	46,713	219,099	90,542	1,508,265	311,005	327,632	638,637	2,146,902
Total personnel cost	2,975,495	1,343,866	963,602	188,220	1,160,841	528,056	7,160,080	1,617,815	2,012,151	3,629,966	10,790,046
OTHER EXPENSES											
Food handling and purchases	6,085,893	-	-	-	-	-	6,085,893	-	-	-	6,085,893
Professional services	349,303	44,160	54,550	7,077	83,394	17,191	555,675	238,949	347,274	586,223	1,141,898
Training and staff development	13,562	4,748	6,126	1,049	7,393	1,254	34,132	14,212	13,593	27,805	61,937
Office and administrative	168,296	21,845	14,928	2,649	18,016	5,423	231,157	35,773	131,798	167,571	398,728
Dues	39,851	275	135	-	1,675	70	42,006	12,327	6,373	18,700	60,706
Insurance	31,755	3,350	2,285	615	2,175	4,394	44,574	3,257	30,893	34,150	78,724
Occupancy	292,310	9,729	7,302	2,157	3,842	21,996	337,336	6,201	7,145	13,346	350,682
Resource development	23,365	-	-	-	-	269	23,634	1,019,719	-	1,019,719	1,043,353
Education and promotions	4,200	302,448	5,862	3,162	12,060	18,953	346,685	64,591	-	64,591	411,276
Community and agency services	500	176,686	247,337	4,535	1,392	-	430,450	1,420	-	1,420	431,870
Vehicles and transportation	749,089	-	-	-	1,730	-	750,819	-	-	-	750,819
Equipment	281,717	42,474	29,696	1,775	10,742	6,008	372,412	152,556	41,531	194,087	566,499
Depreciation	479,765	49,424	33,971	9,344	29,091	47,269	648,864	44,030	43,641	87,671	736,535
Travel	6,050	8,810	6,766	458	12,730	273	35,087	3,849	8,259	12,108	47,195
Total other expenses	8,525,656	663,949	408,958	32,821	184,240	123,100	9,938,724	1,596,884	630,507	2,227,391	12,166,115
TOTAL EXPENSES BEFORE											
Commodities distributed	11,501,151	2,007,815	1,372,560	221,041	1,345,081	651,156	17,098,804	3,214,699	2,642,658	5,857,357	22,956,161
Donated commodities distributed	56,800,435	-	-	-	-	-	56,800,435	-	-	-	56,800,435
Total expenses	\$ 68,301,586	\$ 2,007,815	\$ 1,372,560	\$ 221,041	\$ 1,345,081	\$ 651,156	\$ 73,899,239	\$ 3,214,699	\$ 2,642,658	\$ 5,857,357	\$ 79,756,596

See accompanying notes to financial statements.

Alameda County Community Food Bank
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 26,850,425	\$ 22,268,304
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net realized and unrealized gain on investments	(349,760)	(24,523)
Changes in promises to give discount	1,906	7,738
Stock donations	(1,076,235)	(969,008)
Depreciation	755,943	736,535
Net loss on disposal of equipment	7,469	14,871
Extinguishment of loan payable	(1,467,100)	-
Donated commodities received	(73,058,917)	(56,262,344)
Donated commodities distributed	72,501,270	56,800,435
Changes in operating assets and liabilities:		
Grants receivable	(1,573,829)	(1,361,221)
Promises to give	729,792	1,134,451
Program revenue and other receivables	(1,415)	(8,162)
Inventory	(955,258)	(318,225)
Prepaid expenses and deposits	(222,105)	5,186
Accounts payable and accrued expenses	1,061,346	39,144
Accrued compensated absences	266,310	47,143
Deferred revenue	(17,324)	15,668
Net cash provided by operating activities	<u>23,452,518</u>	<u>22,125,992</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,148,299)	(352,358)
Proceeds from sale of investments	1,993,667	1,242,388
Purchases of property and equipment	(1,128,842)	(721,214)
Proceeds from the sale of fixed assets	-	7,776
Net cash (used in) provided by investing activities	<u>(283,474)</u>	<u>176,592</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	-	1,467,100
Net cash provided by financing activities	<u>-</u>	<u>1,467,100</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	23,169,044	23,769,684
CASH AND CASH EQUIVALENTS, beginning of year	<u>27,665,063</u>	<u>3,895,379</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 50,834,107</u></u>	<u><u>\$ 27,665,063</u></u>

Alameda County Community Food Bank

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose and organization

Alameda County Community Food Bank (the “Food Bank”) is a California not-for-profit public benefit corporation founded in 1985. The Food Bank distributes food through a network of more than 300 strategically placed member agencies—food pantries, soup kitchens, childcare centers, senior centers, after-school programs, and other community-based organizations.

The Food Bank’s mission statement: Alameda County Community Food Bank passionately pursues a hunger-free community.

The Food Bank’s vision statement: Children, adults, and seniors of Alameda County do not worry about where their next meal is coming from.

PROGRAM SERVICES

Food distribution – As Alameda County’s central clearinghouse for donated, surplus, and purchased food for nonprofit agencies, the Food Bank distributed 58 million pounds of food in the 2021 fiscal year (39.5 million pounds of food in the 2020 fiscal year). The food was procured from purchased food, donations, the government, and the Food Recovery Program. The Food Bank primarily distributes this food through a network of more than 300 strategically located member agencies. The food distribution program also includes programs such as emergency food drive thru distributions due to the economic crisis related to the pandemic and college and university programs. In fiscal year 2021, the Food Bank’s distributed pounds increased by 47% to meet continued high need during the pandemic through direct and partner distributions including several pop-ups and the distribution of emergency bags.

Outreach – Multilingual outreach includes the food helpline, FoodNow.net, ComidaAhora.net, and CalFresh Outreach. Since 1994, callers to the helpline have been able to receive a same-day bag of food, or hot meal at a location in or near their neighborhood. The Food Bank’s CalFresh (formerly known as food stamps and known nationwide as “SNAP”) Outreach program staff guides eligible community members through the application process working through the Alameda County Social Services Agency. The CalFresh Outreach program increased applications in 2021. Applications submitted equaled approximately 8,300 during the year ended June 30, 2021 (approximately 7,300 in 2020).

Agency services – The Food Bank supports its member agencies in managing government food programs, securing government funding, and adhering to related contracts. The Food Bank assists member agencies in food safety, equipment and vehicle procurement, and other operational and capacity building functions.

Nutrition programs – The Food Bank supports its member agencies and clients through nutrition education services, which are designed to help member agencies and clients utilize the wide variety of products, including farm fresh fruits and vegetables, that may be new to clients. Services include educational classes, nutrition materials, recipes, cooking classes, and taste testing demos to encourage and support healthful eating. Nutrition education services also help clients maximize their other food resources to bring healthy choices to their families.

Alameda County Community Food Bank

Notes to Financial Statements

Advocacy, research, and community engagement – The Food Bank’s hunger education and advocacy efforts continue to provide a voice for tens of thousands of Alameda County residents who face food insecurity. The Food Bank’s staff meets with legislators, grassroots anti-hunger advocates, and other advocacy partners regularly. The program promotes policies to benefit low-income residents such as extending CalFresh benefits to people living on Supplemental Security Income, a program that benefits low-income seniors and individuals with disabilities. Research activities include measuring food insecurity and mapping food insecurity with services offered to help strategically improve services where they are needed most.

Volunteer program – Volunteers play an evolving role in work from packaging of fresh produce, bagging children’s food bags, and sorting donated food to helping in a variety of skills- and professional-based ways including consulting on risk assessments. Volunteers are also utilized for the helpline, office assistance, advocacy, and events. During the years ended June 30, 2021 and 2020, volunteer hours were equivalent to 48 and 52 full-time employees each year, respectively. Volunteer hours were approximately 95,000 and 103,000 for the years ended June 30, 2021 and 2020, respectively.

Support – The Food Bank’s major sources of financial and in-kind support consist of federal funds (passed through by the County of Alameda), foundations and corporations, individuals, United States Department of Agriculture (“USDA”) commodities program, and other governmental entities. A small amount of revenue is earned from fees charged to member organizations that receive purchased food. Total fiscal year 2021 revenue and support increased from fiscal year 2020 primarily due to the increase in government grants, government and donated commodities, and individual contributions at the beginning of the novel coronavirus (“COVID-19”) pandemic.

BASIS OF ACCOUNTING

The Food Bank prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred regardless of the timing of cash flows.

CLASSIFICATION OF NET ASSETS

Net assets are classified based on existence or absence of donor-imposed restrictions as follows:

Without donor restrictions are net assets and activities which represent the portion of expendable funds that are available to support the Food Bank’s operations. A portion of these net assets may be designated by the Board of Directors for specific purposes. Board designated net assets were \$71,634,582 and \$43,677,032 as of June 30, 2021 and 2020, respectively.

With donor restriction is defined as that portion of net assets that consist of a restriction on the specific use or the occurrence of a certain future event.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Alameda County Community Food Bank

Notes to Financial Statements

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of cash and cash equivalents, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

OPERATING AND NONOPERATING ACCOUNTS

All activities are considered operating except for unrealized gains/losses on investments, disposals of equipment, and the extinguishment of the Paycheck Protection Program (“PPP”) loan payable due to full forgiveness received during the 2021 fiscal year.

CASH AND CASH EQUIVALENTS

The Food Bank considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

GRANTS RECEIVABLE

Grants receivable represent uncollateralized obligations related to the Food Bank’s grant contracts. Grants receivable are due under the terms of the grant agreements. Payments on grants receivable are expected to be collected during the year ending June 30, 2022.

The Food Bank uses the allowance method to account for uncollectible grants receivables. The allowance is based on prior years’ experience and management’s analysis of specific grants. No allowance was deemed necessary at June 30, 2021 and 2020.

PROMISES TO GIVE

Unconditional promises to give are recognized as revenues in the period such promises are made by the donor. Conditional promises to give are recognized only when the conditions on which they depend are met and the promises become unconditional. Unconditional promises to give which are scheduled to be received after one year are discounted at rates commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. As of June 30, 2021, a discount of \$1,700 was recorded on one promise to give due in one year. As of June 30, 2020, a discount of \$3,606 was recorded on one promise to give due in more than one year.

The Food Bank uses the allowance method to account for uncollectible promises to give. The allowance is based on prior years’ experience and management’s analysis of specific promises made. No allowance was deemed necessary at June 30, 2021 and 2020.

INVENTORY

Purchased inventories are recorded at cost and consist of food products purchased by the Food Bank and related to both grant and nongrant funded purchases. Purchased inventory is expensed when the food is distributed. The Food Bank receives, sorts, stores, and distributes donated commodities from various sources and the USDA commodities program.

Alameda County Community Food Bank

Notes to Financial Statements

Feeding America, the national food bank network which sets the standards for fiscal operations of food banks, valued USDA commodities at \$1.70 per pound and non-USDA commodities at \$1.79 per pound for the year ended June 30, 2021. Feeding America valued USDA commodities at \$1.49 per pound and non-USDA commodities at \$1.74 per pound for the year ended June 30, 2020. The donated commodities distributed includes spoilage and shrinkage for the years ended June 30, 2021 and 2020 of \$3,511,838 and \$1,166,374, respectively for non-USDA items. There was \$3,406 and \$0 shrinkage for USDA items for the years ended June 30, 2021 and 2020, respectively. The total spoilage and shrinkage represents 4% and 2% of the total costs and pounds of food distributed in fiscal years ended June 30, 2021 and June 30, 2020, respectively.

INVESTMENTS

Marketable investments in equity and debt securities are carried at fair value based upon quoted market prices. The Food Bank's Oversight Committee is responsible for establishing investment criteria and overseeing the Food Bank's investments.

PROPERTY AND EQUIPMENT

The Food Bank capitalizes acquisitions of property and equipment with a cost or value in excess of \$1,000 and with an estimated useful life beyond one year. Purchased assets are recorded at cost; donated assets are recorded at estimated fair value or appraised value at the date of acquisition. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the statements of activities and changes in net assets. Depreciation is calculated using the straight-line method based upon estimated useful lives as follows:

Building	39 years
Building improvements	10 years
Office and equipment	10 years
Vehicles	5 years
Warehouse equipment	5 years

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are held and used, an impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows, or internal and external appraisal, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. No impairment losses were incurred during the years ended June 30, 2021 and 2020.

DEFERRED REVENUE

Deferred revenue represents the excess of advances from granting agencies under contracts for services over the related expenditures.

Alameda County Community Food Bank

Notes to Financial Statements

LOAN PAYABLE

In April 2020, the Food Bank was granted a loan under the PPP offered by the Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), for \$1,467,100 with a maturity date of April 13, 2022. The loan bears interest at 1% with no payments for the first 6 months and all principal due at maturity. The loan is subject to partial or full forgiveness if the Food Bank uses all proceeds for eligible purposes; maintains certain employment levels; and maintains certain compensation levels in accordance with and subject to the CARES Act and rules, regulations, and guidance. The outstanding balance of the loan payable was \$1,467,100 as of June 30, 2020. The loan was forgiven in full during the year ended June 30, 2021.

REVENUE RECOGNITION

For the year ended June 30 2021, the Food Bank adopted Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* using the full retrospective method. The adoption did not require a prior period adjustment and the adoption did not have a significant impact on the financial statements.

Grants – The Food Bank receives grants from various federal, state, and local governmental funding sources. These funds are to be spent for specific purposes. Many of the grants are subject to annual budget negotiations and availability of funds. Revenue from grants and agreements that are nonreciprocal is treated like contributions. If the grant or agreement is conditional, a barrier to entitlement exists, revenue is recognized when the barrier is considered overcome and as allowable expenditures under such agreements are incurred, as an increase to net assets without donor restrictions.

Consequently, revenues for these transactions are recognized as the expenditures are incurred. Any difference between expenses incurred and the total funds received (not to exceed the grant maximum) is recorded as advances on conditional grants. Amounts received in advance of services performed are recognized as advances on conditional grants and are recognized as revenues in future periods as services are performed.

Contributions – The Food Bank recognizes all contributions when they are received or unconditionally promised, regardless of compliance with restrictions. Contributions without donor-imposed restrictions are reported as net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as net assets with donor restrictions.

When the time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

The Food Bank is the beneficiary under various trust agreements or bequests, the total realizable amount of which is not presently determinable. Such amounts are recognized as beneficial interest in trusts or contributions when clear title is established, and the proceeds are estimable.

Contributed goods and services – Donated materials and equipment are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as with donor restrictions. 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 as net assets are released from restrictions.

Alameda County Community Food Bank

Notes to Financial Statements

The Food Bank received and utilized donated goods and services primarily representing produce processing fees, auction event items, and professional services totaling \$311,902 and \$454,581 during the years ended June 30, 2021 and 2020, respectively.

The Food Bank regularly utilizes the services of volunteers. The Food Bank volunteers donated approximately 95,000 hours and 103,000 hours in years ended June 30, 2021 and 2020, respectively. The value of these services is not reflected in these financial statements because the services received do not create or enhance nonfinancial assets and do not require specialized skills. The Food Bank estimates that the value of these services is worth approximately \$2.7 million at \$28.54 per hour for the year ended June 30, 2021 (approximately \$2.8 million at \$27.20 per hour in 2020). This valuation is based on the average hourly earnings of all production and nonsupervisory workers on private nonfarm payrolls (as determined by the Bureau of Labor Statistics) and adjusted for fringe benefits.

Special events and program revenue – Special events revenue is recognized upon the event taking place.

Program revenue represents funds from member agencies to cover a portion of the cost of purchased food. Food revenue is recognized when purchased food is shipped to the agencies.

Special events and program revenue are accounted for under ASU No. 2014-09 (Topic 606). Revenue is recognized as performance obligations are met.

Investment income – Realized and unrealized gains and losses and investment income derived from investment transactions are included as income in the year earned.

ADVERTISING

The costs of advertising are charged to expense as incurred. Advertising expense was \$553,874 and \$333,653 for the years ended June 30, 2021 and 2020, respectively. The majority of the advertising expense is related to the CalFresh outreach and food distribution programs.

INCOME TAXES

The Food Bank is a qualified organization exempt from federal income taxes and state franchise taxes under §501(c)(3) of the Internal Revenue Code (“IRC”) and §23701d of the California Revenue and Taxation Code, respectively.

U.S. GAAP requires the Food Bank management to evaluate tax positions taken by the Food Bank and recognize a tax liability (or asset), if the Food Bank has taken an uncertain position that more likely than not would not be sustained upon examination by Internal Revenue Service.

The Food Bank is not aware of any uncertain tax positions as of June 30, 2021 and 2020.

Alameda County Community Food Bank

Notes to Financial Statements

FINANCIAL INSTRUMENTS

Financial instruments which potentially subject the Food Bank to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Food Bank maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The Food Bank has not experienced any losses in such accounts. The Food Bank attempts to limit its credit risk associated with cash equivalents and investments by utilizing an outside investment manager to place the Food Bank's investments with highly rated corporate and financial institutions. Management believes that the Food Bank is not exposed to any significant credit risk related to concentrations.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses which apply to more than one functional category have been allocated among program, general and administrative, and fundraising based on the time spent on these functions by specific employees as estimated by management. Indirect expenses such as facilities costs are allocated based on square footage used by functional categories. Other indirect expenses, such as information technology and general office supplies are allocated based on time spent by staff in the various functional categories. Certain marketing material costs are allocated based on the percentage of the publication devoted to each functional area. All other costs are charged directly to the appropriate functional category.

SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are available to be issued. The Food Bank recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Food Bank's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the consolidated financial statements are available to be issued.

The Food Bank has evaluated subsequent events through November 3, 2021, which is the date the financial statements are available to be issued.

NOTE 2 – FAIR VALUE MEASUREMENTS

The Food Bank's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities that the entity has the ability to access at the measurement date.

Level 2 – Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Alameda County Community Food Bank

Notes to Financial Statements

Level 3 – Unobservable inputs for the asset or liability that are not corroborated by market data.

An asset or a liability's classification is based on the lowest level input that is significant to its measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The 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 June 30, 2021 and 2020.

Municipal bonds – The fair value of municipal bonds is estimated using recently executed transactions, market price quotations and pricing models that factor in, where applicable, interest rates, bond or credit-default swap spreads, and volatility. These bonds are generally categorized in Level 2 of the fair value hierarchy.

Mutual funds – Mutual funds listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the mean of the last bid and asked prices on such exchange. The Food Bank's interests in such investments are categorized as corporate stock/equity funds, money market funds, corporate bond funds, and government obligation funds. Such securities are classified within Level 1 of the valuation hierarchy.

The following table provides information about the Food Bank's financial assets measured at fair value on a recurring basis as of June 30, 2021:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Municipal bonds	\$ 3,537,955	\$ -	\$ 3,537,955	\$ -
Mutual funds:				
Short-term bond	539,093	539,093	-	-
World bond	468,274	468,274	-	-
Intermediate term bond	431,017	431,017	-	-
Blend	818,809	818,809	-	-
Large value	202,734	202,734	-	-
Real estate	139,520	139,520	-	-
Domestic small/mid value	143,419	143,419	-	-
Foreign small/mid value	88,394	88,394	-	-
Diversified emerging market	89,092	89,092	-	-
	<u>\$ 6,458,307</u>	<u>\$ 2,920,352</u>	<u>\$ 3,537,955</u>	<u>\$ -</u>

Alameda County Community Food Bank Notes to Financial Statements

The following tables provides information about the Food Bank's financial assets measured at fair value on June 30, 2020:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Municipal bonds	\$ 3,411,387	\$ -	\$ 3,411,387	\$ -
Mutual funds:				
Short-term bond	547,756	547,756	-	-
World bond	472,383	472,383	-	-
Intermediate term bond	440,211	440,211	-	-
Blend	590,301	590,301	-	-
Large value	147,051	147,051	-	-
Real estate	88,200	88,200	-	-
Domestic small/mid value	82,829	82,829	-	-
Foreign small/mid value	51,546	51,546	-	-
Diversified emerging market	46,016	46,016	-	-
Total	<u>\$ 5,877,680</u>	<u>\$ 2,466,293</u>	<u>\$ 3,411,387</u>	<u>\$ -</u>

NOTE 3 – PROMISES TO GIVE

Promises to give, net expected to be realized at June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Pledges less than one year	\$ 488,858	\$ 972,462
Between one to five years	300,000	550,000
Present value discount at effective rate of 0.66%	<u>(1,700)</u>	<u>(3,606)</u>
Total	<u>\$ 787,158</u>	<u>\$ 1,518,856</u>

Six and seven donors comprised the promise to give balance as of June 30, 2021 and 2020, respectively. The largest promise to give as of June 30, 2021 and 2020 equals \$300,000 and \$675,000, respectively.

NOTE 4 – INVENTORY

Inventory consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Government commodities	\$ 873,953	\$ 563,570
Donated food	1,122,206	874,942
Purchased food	<u>1,607,071</u>	<u>651,813</u>
Total	<u>\$ 3,603,230</u>	<u>\$ 2,090,325</u>

Alameda County Community Food Bank

Notes to Financial Statements

NOTE 5 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Building and improvements	\$ 11,659,540	\$ 11,147,832
Land	2,540,575	2,540,575
Office furniture and equipment	1,531,764	1,357,492
Vehicles	1,361,736	1,252,602
Warehouse equipment	<u>400,565</u>	<u>317,504</u>
	17,494,180	16,616,005
Less: accumulated depreciation	<u>(7,428,447)</u>	<u>(6,718,356)</u>
	10,065,733	9,897,649
Construction in progress	<u>596,364</u>	<u>399,018</u>
Total	<u>\$ 10,662,097</u>	<u>\$ 10,296,667</u>

NOTE 6 – BOARD DESIGNATED NET ASSETS

Board designated appropriations at June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Property and equipment, net	\$ 10,662,097	\$ 10,296,667
Inventory	3,603,230	2,090,325
Working capital reserve	2,000,000	-
Capital projects in process	4,017,989	64,000
Construction planned	-	4,000,000
Member agency capacity	5,000,000	-
Pandemic recovery	25,000,000	-
3-month reserve	10,919,389	7,647,841
Emergency reserve	<u>10,431,877</u>	<u>19,578,199</u>
Total	<u>\$ 71,634,582</u>	<u>\$ 43,677,032</u>

The Food Bank's net assets and reserves policy include the following categories:

Property and equipment and inventory – The related asset book values; not financial reserves.

Working capital reserve – Estimate needed from July to October before holiday fundraising season starts.

Capital projects in progress – \$4,017,989 as of June 30, 2021, represents warehouse improvements including additional warehouse cooler space for fresh foods and updates to racking and docks and also software for the fundraising and volunteer system. \$64,000 as of June 30, 2020, represented one capital project in progress, final installation costs for the backup generator.

Alameda County Community Food Bank

Notes to Financial Statements

Construction planned – For year ending June 30, 2020, the Food Bank Board had set aside funds to improve the functionality of the warehouse to support increased food distribution. Improvements include additional warehouse cooler space for fresh foods and updates to racking and docks. This project is now in progress.

Member agency capacity – The Food Bank is specifically reserving to grant funds to organization in its agency network starting in fiscal year 2022. This indicates a continued increased investment, which is included in operating budgets.

Pandemic Recovery – The Food Bank has a ten-year financial plan which includes operating expenses greater than revenues estimated through fiscal year 2028. The Food Bank estimates that need for its services and related expenses will continue to remain high for several years while contributed and grant revenues taper off during the pandemic and related economic recovery.

3-month reserve – Three months operating reserve equal to 3 months operating expense excluding depreciation is required by Feeding America. The calculation is based on project average 3-months of operating expense for following fiscal year.

Emergency reserve – The Food Bank Board has set aside funds required to cover operating needs to support the community during unanticipated economic slow-downs, natural disasters, or other emergencies.

The total of working capital, 3-month reserve and emergency reserve, at June 30, 2021 and 2020, represents operating expense excluding depreciation of 14.1 months and 10.7 months, respectively.

The \$28 million increase in net assets without donor restrictions is primarily related to individual revenue due to donors' response to the pandemic.

NOTE 7 – WITH DONOR RESTRICTION NET ASSETS

With donor restriction net assets at June 30 may be expended for:

	2021	2020
General operations-time restriction	\$ 530,000	\$ 1,604,388
Food purchases and distribution	741,000	537,499
Facilities projects	-	231,200
Organizational development and research	-	36,719
SNAP-CalFresh Outreach	39,306	32,625
Other food distribution and agency capacity	25,500	500
Total	\$ 1,335,806	\$ 2,442,931

All net assets with donor restrictions are expected to be released from restriction by June 30, 2022.

Alameda County Community Food Bank

Notes to Financial Statements

NOTE 8 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors during the years ended June 30, as follows:

	<u>2021</u>	<u>2020</u>
Food purchases and distribution	\$ 1,141,801	\$ 1,914,958
General operations-time restriction	1,504,388	1,170,232
Organizational development and research	36,717	186,919
SNAP-CalFresh Outreach	148,321	180,501
Facilities projects	253,200	68,075
Other food distribution and agency capacity	244,704	50,500
Advocacy	-	35,000
	<u> </u>	<u> </u>
Total	<u>\$ 3,329,131</u>	<u>\$ 3,606,185</u>

NOTE 9 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Food Bank's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Other considerations of nonliquid assets are donor restricted assets for specific expenditures, contractual reserve requirements, or governing board designations.

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 50,834,107	\$ 27,665,063
Grants receivable	3,886,996	2,313,167
Promises to give, net	787,158	1,518,856
Program revenue and other receivables	94,233	92,818
Investments	6,458,307	5,877,680
	<u> </u>	<u> </u>
Financial assets at June 30	<u>\$ 62,060,801</u>	<u>\$ 37,467,584</u>
Less those unavailable for general expenditures within one year, due to:		
Feeding America requirement, 3-month reserve	\$ 10,919,389	\$ 7,647,841
Board designated assets, capital improvements, and construction planned	4,017,989	4,064,000
Promises to give to be collected in more than one year	300,000	550,000
	<u> </u>	<u> </u>
Total unavailable for general expenditures within one year	<u>15,237,378</u>	<u>12,261,841</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 46,823,423</u>	<u>\$ 25,205,743</u>

Property and equipment and inventory are included in Board-designated net assets on the statements of financial position but are not shown above because these are nonfinancial assets and are not easily convertible to financial assets. Also included in Board-designated net assets are working capital and emergency reserves which are available if needed within one year and are therefore not subtracted above.

Alameda County Community Food Bank

Notes to Financial Statements

The Food Bank regularly monitors liquidity required to meet its operating reserves and contractual commitments. The Oversight Committee of the Board meets regularly to review all financial aspects of the organization. The Food Bank's Board has a net assets-reserves policy (see Note 6). The sources of liquidity are listed above. After unavailable financial assets are subtracted, as of June 30, 2021 and 2020, the Food Bank has remaining financial assets equivalent to an additional twelve and nine months of operating expenses, respectively. The Food Bank's policy is to structure its financial assets to be available to cover the following in order of priority: working capital, capital projects in progress, reserve requirements, capital asset, and inventory replacement, planned future operations, opportunities to enhance the Food Bank's mission, unanticipated expense, sudden shortfalls in revenue.

NOTE 10 – RETIREMENT PLAN

The Food Bank maintains an IRC §403(b) plan ("the Plan") for its employees. The Plan is available to all full-time employees. The Food Bank contributes up to \$910 a year for each eligible employee who has provided a minimum of one year of service to the Food Bank. The Food Bank also matches an employee's voluntary contribution up to 5% of the employee's compensation. A participant is at all times 100% vested in the amounts in their Employee Contribution Account and will be 100% vested in the Employer Contribution Account after three years of service. Total Food Bank contributions made for the years ended June 30, 2021 and 2020 were \$417,080 and \$338,540, respectively.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

LEASES

The Food Bank is obligated under several noncancelable operating leases for its equipment.

The following is a schedule of minimum lease commitments for the years ending June 30:

<u>Year Ending June 30,</u>	
2022	\$ 48,867
2023	35,986
2024	41,065
2025	23,353
2026	10,327
	<hr/>
	\$ 159,598

Lease expense for the years ended June 30, 2021 and 2020 was \$68,583 and \$68,477, respectively.

CONTINGENCIES

In March 2020, the World Health Organization declared the COVID-19 outbreak a public health emergency. The Food Bank's operations are concentrated in California which has restricted gatherings and at times implemented shelter in place restrictions. The Food Bank continues normal operations while closely monitoring employees and visitors to office locations. The Food Bank will continue to monitor the situation closely, but given the uncertainty about the situation, management can't estimate the impact to the financial statements.

Alameda County Community Food Bank

Notes to Financial Statements

The Food Bank has a contractual agreement with Feeding America. The agreement improves the capacity of the Food Bank to provide solutions to the problem of hunger in America. Under the terms of the agreement, the Food Bank is required to maintain certain financial covenants. The Food Bank can terminate the agreement by a written notice 30 days in advance subject to the termination provisions as defined by the agreement. Feeding America can terminate the agreement with cause as provided by the compliance standards per the agreement.

The Food Bank receives support from federal, state, and local sources under reimbursable programs. Reimbursements under these programs are subject to final audits which could result in the repayment of support recorded. In the opinion of management, the Food Bank has complied with all of the conditions of its grants and contracts for services and no material liabilities would result from any such audit.

Supplementary Information

Alameda County Community Food Bank
Schedule of Other Government Awards
Year Ended June 30, 2021

Grantor/Pass - through Grantor Program Title	Contract Number	Contract Amount	Contract Period	Total Disbursements/ Expenditures
<u>County of Alameda Social Services Agency</u>				
Department of Workforce and Benefits Administration				
Emergency Food and Surplus Food Distribution Program	Contract #901941-21338	\$ 12,076,187	10/18/20-4/30/21	\$ 12,076,187
County Food Distribution	Master Contract #900147	<u>1,770,259</u>	7/1/19-6/30/20	<u>1,770,259</u>
		<u>\$ 13,846,446</u>		<u>\$ 13,846,446</u>
<u>City of Hayward</u>				
Department of Library & Community Svcs				
Food Distribution Food Purchase Program	Resolution No.19-095	35,000	7/1/20-6/30/21	35,000
Department of Housing and Community Development				
Food Distribution Hayward	Resolution No. 20-046	<u>36,195</u>	5/1/19-12/31/20	<u>36,195</u>
		<u>\$ 71,195</u>		<u>\$ 71,195</u>
<u>City of Oakland Department of Human Services</u>				
Department of Human Services				
EFPAC Human Services Department	Resolution No. 86856	125,494	7/1/20-6/30/21	125,494
SSB Community Grants Program				
SSB Community Grants Program	Resolution No. 87834	<u>17,639</u>	10/1/19-12/31/20	<u>17,639</u>
		<u>\$ 143,133</u>		<u>\$ 143,133</u>
<u>State of California</u>				
California Department of Social Services:				
EFAP (CalFood)	15-MOU-00105	230,226	7/1/20-6/30/21	230,226
CDSS Capacity	SGRT-19-0001	1,044	1/1/19-6/30/22	1,044
EFAP (Tax Check-Off Disbursement)	15-MOU-00105	12,139	7/1/20-6/30/21	12,139
CFAP USDA Food Commodities	15-MOU-00103	8,741,084	7/1/20-6/30/21	8,741,084
CAFB- EFD Farm to Food Bank Program	N/A	42,000	7/1/20-6/30/21	42,000
California Department of Food and Agriculture:				
CAFB- Farm to Food Bank Program	N/A	667	July 2020	667
CAFB- EFD	N/A	4,200	July 2020	4,200
CAFB F2F Inkind	N/A	38,872	0801/20-9/30/20	38,872
FDP Calfood Logistic	N/A	<u>657,960</u>	04/01/21-6/30/21	<u>657,960</u>
		<u>\$ 9,728,191</u>		<u>\$ 9,728,191</u>
Total Expenditures of Other Government Awards		<u>\$ 23,788,966</u>		<u>\$ 23,788,966</u>

**Alameda County Community Food Bank
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass - through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Program and/or Pass -Through Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Emergency Food and Shelter National Board</u>				
U.S. Department of Homeland Security				
Pass - through programs from:				
Federal Emergency Management Agency -				
Emergency Food and Shelter Program	97.024	Phase 37	\$ 175,000	\$ 175,000
<u>Trade Mitigation</u>				
U.S. Department of Agriculture				
Pass - through programs from:				
California Department of Social Services -				
Emergency Food Assistance Program (Phase 3 FPDP admin)	10.178	15-MOU-00105	-	10,000
Emergency Food Assistance Program (Phase 4 FPDP admin)	10.178	15-MOU-00105	-	17,497
Total California Department of Social Services Program			-	27,497
U.S. Department of Agriculture				
Pass - through programs from:				
California Department of Food and Agriculture -				
USDA Food Commodities Trade Mitigation	10.173	MOU# 15-00103	645,905	645,905
U.S. Department of Agriculture				
Pass - through programs from:				
California Department of Food and Agriculture -				
CAFB- USDA Farm to Food Bank Program	10.170	19-0001-070-SF	-	98,640
Total Trade Mitigation			645,905	772,042
<u>Food Distribution Cluster</u>				
U.S. Department of Agriculture				
California Department of Social Services -				
Emergency Food Assistance Program	10.568	15-MOU-00105	-	80,848
Emergency Food Assistance Program	10.568	15-MOU-00105	-	129,870
Emergency Food Assistance Program	10.568	15-MOU-00105	-	339,069
Emergency Food Assistance Program FFCRA	10.568	15-MOU-00105	-	263,543
Emergency Food Assistance Program FFCRA	10.568	15-MOU-00105	-	107,483
COVID-19 - Emergency Food Assistance Program CARES	10.568	15-MOU-00105	-	58,836
COVID-19 - Emergency Food Assistance Program CARES Logistic	10.568	15-MOU-00105	-	16,239
COVID-19 - Emergency Food Assistance Program CRRS	10.568	15-MOU-00105	-	253,545
COVID-19 - Emergency Food Assistance Program CRF Coronavirus Relief	10.568	15-MOU-00105	-	1,126,357
COVID-19 - Emergency Food Assistance Program CRF Coronavirus Relief	10.568	15-MOU-00105	-	141,808
Emergency Food Assistance Program PPE	10.568	15-MOU-00105	-	11,440
USDA Food Commodities	10.569	15-MOU-00103	-	5,384,408
Total Food Distribution Cluster			-	7,913,446
<u>Supplemental Nutrition Assistance Program Cluster</u>				
U.S. Department of Agriculture				
Pass - through programs from:				
County of Alameda Social Services Agency -				
CAFB- CalFresh Outreach Program	10.561	Master Contract# 900147	-	1,854,232
Nutrition Education Obesity Prevention Program and Coordination	10.561	Master Contract# 19341	-	23,578
California Department of Social Services -				
CAFB- CalFresh Outreach Program	10.561	MOU# 18-7013	-	16,764
CAFB- CalFresh Outreach Program	10.561	MOU# 18-7013	-	32,961
Total Supplemental Nutrition Assistant Program Cluster			-	1,927,535
<u>COVID-19 - Coronavirus Relief Fund</u>				
U.S. Department of Treasury				
Pass - through programs from:				
California Department of Food and Agriculture				
Farm to Food Bank Program	21.019	N/A	-	30,753
EFD	21.019	N/A	-	152,599
Foods Logist Incentive	21.019	N/A	-	89,880
CRF Calfood Logistic	21.019	N/A	-	350,137
California Department of Social Services -				
EFD Farm to Food Bank Program	21.019	N/A	-	1,217,438
Total Coronavirus Relief Fund			-	1,840,807
Total Expenditures of Federal Awards			\$ 820,905	\$ 12,628,830

Alameda County Community Food Bank

Notes to The Schedule of Expenditures of Federal Awards

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Alameda County Community Food Bank (the “Food Bank”) under programs of the federal government for the year ended June 30, 2021. 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.

Federal expenditures of \$12,628,830 are presented in the Food Bank’s financial statements under their functional categories.

NOTE 2 – 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. The Food Bank recognizes grants’ revenues and expenses to the extent that eligible grant costs are incurred. The Food Bank elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – SUBRECIPIENTS

Certain funds are passed through to subrecipient organizations by the Food Bank. Expenditures incurred by the subrecipients and reimbursed by the Food Bank are included in the Schedule. The Food Bank is also the subrecipient of federal funds, which are reported as expenditures and listed separately as federal pass-through funds.

Report of Independent Auditors 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
Alameda County Community Food Bank

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 Alameda County Community Food Bank (“Food Bank”), which comprise the statement of financial position as of and for the year ended June 30, 2021, 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 November 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Food Bank’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Food Bank’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Food Bank’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 Food Bank’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 the Food Bank's financial statements are free from 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 financial statements. 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 matters that are 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 Food Bank's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mass Adams LLP

San Francisco, California
November 3, 2021

Report of Independent Auditors on Compliance for each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Alameda County Community Food Bank

Report on Compliance on each Major Federal Program

We have audited Alameda County Community Food Bank's (the "Food Bank"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Food Bank's major federal programs for the year ended June 30, 2021. The Food Bank's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Food Bank'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 the audit 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"). Those standards and the 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 the Food Bank'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 of the major federal programs. However, our audit does not provide a legal determination on the Food Bank's compliance.

Opinion on Each Major Federal Program

In our opinion, Alameda County Community Food Bank 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 year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Food Bank 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, we considered the Food Bank'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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the 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 the Food Bank'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 over compliance 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss Adams LLP

San Francisco, California
November 3, 2021

Alameda County Community Food Bank
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over each federal major program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Identification of major federal programs and type of auditor's report issued on compliance for each major federal program:

<i>Federal Assistance Listing Numbers</i>	<i>Name of Federal Programs or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for each Major Federal Program</i>
10.561	Supplemental Nutrition Assistance Program Cluster	Unmodified
21.019	COVID-19 - Coronavirus Relief Fund	Unmodified

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

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

