



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

**Alameda County Community Food Bank**

*June 30, 2023 and 2022*

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## **Report of Independent Auditors**

The Board of Directors  
Alameda County Community Food Bank

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Alameda County Community Food Bank (the “Food Bank”), which comprise the statements of financial position as of June 30, 2023 and 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Food Bank as of June 30, 2023 and 2022, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Food Bank, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Food Bank’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Food Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of other governmental 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 schedule of expenditures of federal awards and schedule of other governmental awards are 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 20, 2023, 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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

San Francisco, California  
November 20, 2023

## **Financial Statements**

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**Alameda County Community Food Bank**  
**Statements of Financial Position**  
**June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,873,002	\$ 18,854,259
Grants receivable	5,143,553	7,832,272
Promises to give, net	1,717,696	1,144,416
Program and other receivables	86,465	179,794
Inventory	3,033,028	3,600,761
Prepaid expenses and deposits	439,139	805,068
Investments	49,087,487	43,847,451
Property and equipment, net	<u>12,924,057</u>	<u>13,011,744</u>
Total assets	<u>\$ 86,304,427</u>	<u>\$ 89,275,765</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,731,555	\$ 3,661,059
Accrued compensated absences	770,778	741,448
Deferred revenue	<u>48,165</u>	<u>33,182</u>
Total liabilities	<u>2,550,498</u>	<u>4,435,689</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	1,000,000	1,000,000
Board-designated:		
Inventory	3,033,028	3,600,761
Property and equipment, net	12,924,057	13,011,744
Board-designated (financial assets)	<u>63,559,540</u>	<u>64,429,945</u>
Total board-designated	<u>79,516,625</u>	<u>81,042,450</u>
Total net assets without donor restrictions	80,516,625	82,042,450
With donor restrictions	<u>3,237,304</u>	<u>2,797,626</u>
Total net assets	<u>83,753,929</u>	<u>84,840,076</u>
Total liabilities and net assets	<u>\$ 86,304,427</u>	<u>\$ 89,275,765</u>

**Alameda County Community Food Bank**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING ACTIVITIES</b>			
Support and revenue:			
Donated commodities received	\$ 71,862,840	\$ -	\$ 71,862,840
Government contract revenue	14,006,883	-	14,006,883
Foundation/corporation grants	5,993,794	3,971,159	9,964,953
Individual contributions	21,133,688	28,300	21,161,988
Contributed goods and services	250,794	-	250,794
Special events, gross	1,363,071	-	1,363,071
Program revenue	446,160	-	446,160
Interest and other income	1,129,312	-	1,129,312
Net realized gain on investments	49,565	-	49,565
Net assets released from restrictions	3,559,781	(3,559,781)	-
	<u>119,795,888</u>	<u>439,678</u>	<u>120,235,566</u>
<b>EXPENSES</b>			
Program expenses:			
Food distribution	100,432,817	-	100,432,817
Outreach	2,604,970	-	2,604,970
Agency services	6,975,579	-	6,975,579
Nutrition programs	190,501	-	190,501
Advocacy, research, and community engagement	1,988,445	-	1,988,445
Volunteer program	974,975	-	974,975
	<u>113,167,287</u>	<u>-</u>	<u>113,167,287</u>
<b>INFRASTRUCTURE AND SUPPORTING SERVICES</b>			
Resource development/fundraising	5,003,025	-	5,003,025
Management and general	3,639,650	-	3,639,650
	<u>8,642,675</u>	<u>-</u>	<u>8,642,675</u>
Total infrastructure and supporting services	<u>8,642,675</u>	<u>-</u>	<u>8,642,675</u>
Total expenses	<u>121,809,962</u>	<u>-</u>	<u>121,809,962</u>
Total net operating income	<u>(2,014,074)</u>	<u>439,678</u>	<u>(1,574,396)</u>
<b>NONOPERATING ACTIVITIES</b>			
Net unrealized gain on investments	496,863	-	496,863
Net loss on disposal of equipment	(8,614)	-	(8,614)
	<u>488,249</u>	<u>-</u>	<u>488,249</u>
Total nonoperating income	<u>488,249</u>	<u>-</u>	<u>488,249</u>
CHANGES IN NET ASSETS	(1,525,825)	439,678	(1,086,147)
NET ASSETS, beginning of year	<u>82,042,450</u>	<u>2,797,626</u>	<u>84,840,076</u>
NET ASSETS, end of year	<u>\$ 80,516,625</u>	<u>\$ 3,237,304</u>	<u>\$ 83,753,929</u>



**Alameda County Community Food Bank**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING ACTIVITIES</b>			
Support and revenue:			
Donated commodities received	\$ 68,770,445	\$ -	\$ 68,770,445
Government revenue	15,552,638	-	15,552,638
Foundation/corporation grants	8,468,191	3,591,417	12,059,608
Individual contributions	24,928,583	119,500	25,048,083
Contributed goods and services	355,580	-	355,580
Special events, gross	1,250,859	-	1,250,859
Program revenue	700,528	-	700,528
Interest and other income	330,282	-	330,282
Net realized gain on investments	393,713	-	393,713
Net assets released from restrictions	2,249,097	(2,249,097)	-
Total support and revenue	<u>122,999,916</u>	<u>1,461,820</u>	<u>124,461,736</u>
<b>EXPESES</b>			
Program expenses:			
Food distribution	94,427,337	-	94,427,337
Outreach	2,563,973	-	2,563,973
Agency services	4,927,711	-	4,927,711
Nutrition programs	235,467	-	235,467
Advocacy, research, and community engagement	2,026,863	-	2,026,863
Volunteer program	899,164	-	899,164
Total program services	<u>105,080,515</u>	<u>-</u>	<u>105,080,515</u>
<b>INFRASTRUCTURE AND SUPPORTING SERVICES</b>			
Resource development/fundraising	4,329,276	-	4,329,276
Management and general	3,084,751	-	3,084,751
Total infrastructure and supporting services	<u>7,414,027</u>	<u>-</u>	<u>7,414,027</u>
Total expenses	<u>112,494,542</u>	<u>-</u>	<u>112,494,542</u>
Net unrealized loss on investments	(1,095,148)	-	(1,095,148)
Net loss on disposal of equipment	(2,358)	-	(2,358)
Total nonoperating loss	<u>(1,097,506)</u>	<u>-</u>	<u>(1,097,506)</u>
<b>CHANGES IN NET ASSETS</b>	9,407,868	1,461,820	10,869,688
<b>NET ASSETS, beginning of year</b>	<u>72,634,582</u>	<u>1,335,806</u>	<u>73,970,388</u>
<b>NET ASSETS, end of year</b>	<u>\$ 82,042,450</u>	<u>\$ 2,797,626</u>	<u>\$ 84,840,076</u>

**Alameda County Community Food Bank**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2023**

	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
<b>PERSONNEL COSTS</b>											
Salaries	\$ 3,423,682	\$ 1,171,684	\$ 1,771,987	\$ 121,706	\$ 1,399,832	\$ 613,280	\$ 8,502,171	\$ 1,779,455	\$ 1,753,861	\$ 3,533,316	\$ 12,035,487
Payroll taxes	252,478	88,372	132,014	8,642	101,493	44,955	627,954	126,065	127,786	253,851	881,805
Employee benefits	849,724	287,769	436,824	31,633	287,667	120,233	2,013,850	358,680	611,077	969,757	2,983,607
Total personnel cost	4,525,884	1,547,825	2,340,825	161,981	1,788,992	778,468	11,143,975	2,264,200	2,492,724	4,756,924	15,900,899
<b>OTHER EXPENSES</b>											
Food handling and purchases	20,707,720	-	-	-	-	-	20,707,720	-	-	-	20,707,720
Professional services	371,096	102,590	134,238	9,010	72,066	32,638	721,638	561,681	652,661	1,214,342	1,935,980
Training and staff development	21,641	3,529	7,250	153	5,079	741	38,393	7,766	94,798	102,564	140,957
Office and administrative	72,964	14,176	24,264	957	14,475	8,478	135,314	38,051	196,649	234,700	370,014
Dues	52,414	1,370	145	-	2,600	836	57,365	13,628	7,403	21,031	78,396
Insurance	32,862	10,391	16,529	1,328	9,989	4,263	75,362	12,554	45,181	57,735	133,097
Occupancy	494,254	15,192	11,403	3,368	5,999	36,115	566,331	9,683	11,157	20,840	587,171
Resource development	-	-	-	-	-	289	289	1,479,277	-	1,479,277	1,479,566
Education and promotions	200,293	616,860	-	-	91	17,161	834,405	287,447	-	287,447	1,121,852
Community and agency services	-	181,907	4,286,596	219	3,750	-	4,472,472	2,240	-	-	4,472,472
Vehicles and transportation	1,152,142	-	-	-	-	-	1,152,142	-	-	-	1,152,142
Equipment	519,360	45,997	76,197	3,265	37,516	16,879	699,214	269,604	63,528	333,132	1,032,346
Depreciation	868,501	59,064	62,697	9,816	36,154	77,369	1,113,601	49,612	58,637	108,249	1,221,850
Travel	10,368	6,069	15,435	404	11,734	1,738	45,748	7,282	16,912	24,194	69,942
Total other expenses	24,503,615	1,057,145	4,634,754	28,520	199,453	196,507	30,619,994	2,738,825	1,146,926	3,885,751	34,505,745
Total expenses before Commodities distributed	29,029,499	2,604,970	6,975,579	190,501	1,988,445	974,975	41,763,969	5,003,025	3,639,650	8,642,675	50,406,644
<b>DONATED COMMODITIES DISTRIBUTED</b>	71,403,318	-	-	-	-	-	71,403,318	-	-	-	71,403,318
Total expenses	\$ 100,432,817	\$ 2,604,970	\$ 6,975,579	\$ 190,501	\$ 1,988,445	\$ 974,975	\$ 113,167,287	\$ 5,003,025	\$ 3,639,650	\$ 8,642,675	\$ 121,809,962

**Alameda County Community Food Bank**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

	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	
<b>PERSONNEL COSTS</b>											
Salaries	\$ 3,217,855	\$ 1,181,533	\$ 1,510,015	\$ 164,444	\$ 1,304,583	\$ 539,080	\$ 7,917,510	\$ 1,679,507	\$ 1,868,196	\$ 3,547,703	\$ 11,465,213
Payroll taxes	231,735	86,808	109,094	12,185	93,021	39,082	571,925	119,133	131,904	251,037	822,962
Employee benefits	814,477	309,512	352,655	34,096	321,229	123,830	1,955,799	367,034	407,603	774,637	2,730,436
Total personnel cost	4,264,067	1,577,853	1,971,764	210,725	1,718,833	701,992	10,445,234	2,165,674	2,407,703	4,573,377	15,018,611
<b>OTHER EXPENSES</b>											
Food handling and purchases	18,007,340	-	-	-	-	-	18,007,340	-	-	-	18,007,340
Professional services	317,533	60,753	136,980	7,753	181,404	73,807	778,230	363,751	359,659	723,410	1,501,640
Training and staff development	2,619	4,537	9,797	906	20,213	811	38,883	20,790	9,720	30,510	69,393
Office and administrative	85,047	15,511	23,721	1,372	20,917	6,959	153,527	35,808	132,303	168,111	321,638
Dues	45,220	17	-	-	6,480	809	52,526	11,789	11,194	22,983	75,509
Insurance	58,870	4,872	5,533	721	4,536	7,266	81,798	5,435	34,697	40,132	121,930
Occupancy	406,019	13,160	9,878	2,918	5,197	29,755	466,927	8,388	11,045	19,433	486,360
Resource development	49,246	-	-	-	-	1,253	50,499	1,094,344	-	1,281,076	1,331,575
Education and promotions	152,000	559,150	-	-	-	10,445	721,595	323,021	-	166,528	888,123
Community and agency services	15,965	241,251	2,665,024	710	30	-	2,922,980	-	-	-	2,922,980
Vehicles and transportation	1,159,029	-	-	-	-	-	1,159,029	-	-	-	1,159,029
Equipment	583,738	46,879	68,609	3,830	43,215	13,618	759,889	263,758	79,641	343,399	1,103,288
Depreciation	635,689	39,953	35,089	6,414	25,492	50,631	793,268	32,983	34,439	67,422	860,690
Travel	2,651	37	1,316	118	546	1,818	6,486	3,535	4,350	7,885	14,371
Total other expenses	21,520,966	986,120	2,955,947	24,742	308,030	197,172	25,992,977	2,163,602	677,048	2,840,650	28,833,627
Total expenses before Commodities distributed	25,785,033	2,563,973	4,927,711	235,467	2,026,863	899,164	36,438,211	4,329,276	3,084,751	7,414,027	43,852,238
<b>DONATED COMMODITIES DISTRIBUTED</b>	68,642,304	-	-	-	-	-	68,642,304	-	-	-	68,642,304
Total expenses	\$ 94,427,337	\$ 2,563,973	\$ 4,927,711	\$ 235,467	\$ 2,026,863	\$ 899,164	\$ 105,080,515	\$ 4,329,276	\$ 3,084,751	\$ 7,414,027	\$ 112,494,542

**Alameda County Community Food Bank**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (1,086,147)	\$ 10,869,688
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net realized and unrealized (gain) loss on investments	(546,428)	701,435
Changes in promises to give discount	7,355	(7,884)
Stock donations	(1,298,855)	(1,712,626)
Depreciation	1,221,850	860,690
Net loss on disposal of equipment	8,614	2,358
Donated commodities received	(71,862,840)	(68,770,445)
Donated commodities distributed	71,403,318	68,642,304
Changes in operating assets and liabilities:		
Grants receivable	2,688,719	(3,945,276)
Promises to give	(580,635)	(349,374)
Program and other receivables	93,329	(85,561)
Inventory	1,027,255	130,610
Prepaid expenses and deposits	365,929	(292,763)
Accounts payable and accrued expenses	(1,929,504)	1,601,188
Accrued compensated absences	29,330	(26,719)
Deferred revenue	14,983	(6,825)
	<u>(443,727)</u>	<u>7,610,800</u>
Net cash (used in) provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(37,470,740)	(88,792,273)
Proceeds from sale of investments	34,075,987	52,414,320
Purchases of property and equipment	(1,142,777)	(3,212,695)
	<u>(4,537,530)</u>	<u>(39,590,648)</u>
Net cash used in investing activities		
NET CHANGES IN CASH AND CASH EQUIVALENTS	(4,981,257)	(31,979,848)
CASH AND CASH EQUIVALENTS, beginning of year	<u>18,854,259</u>	<u>50,834,107</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 13,873,002</u>	<u>\$ 18,854,259</u>

# Alameda County Community Food Bank

## Notes to Financial Statements

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### 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 55 million pounds of food in the 2023 fiscal year (53 million pounds of food in the 2022 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.

**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 decreased applications in 2023. Applications submitted equaled approximately 4,300 during the year ended June 30, 2023 (approximately 7,900 in 2022).

**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.

**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.

# Alameda County Community Food Bank

## Notes to Financial Statements

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**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, 2023 and 2022, volunteer hours were equivalent to 35 and 41 full-time employees each year, respectively. Volunteer hours were approximately 68,000 and 80,000 for the years ended June 30, 2023 and 2022, 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. Total fiscal year 2023 revenue and support decreased from fiscal year 2022 primarily due to the decrease in government grants, government and donated commodities, and individual contributions from 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 that 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 \$79,516,625 and \$81,042,450 as of June 30, 2023 and 2022, 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.

**Operating and nonoperating accounts** – All activities are considered operating except for unrealized gains/losses on investments and disposals of equipment.

**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, 2024.

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, 2023 and 2022.

# Alameda County Community Food Bank

## Notes to Financial Statements

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**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 that 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, 2023, a discount of \$2,229 was recorded on one promise to give due in more than one year. As of June 30, 2022, a discount of \$9,584 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, 2023 and 2022.

**Inventory** – Purchased inventories are valued at the cost of products purchased as determined by the first-in, first-out method, 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.

The Food Bank relies on donated inventories. Donated inventories consist primarily of canned goods, produce and durable household goods. Donated inventories are valued at the weighted-average wholesale value of one pound of donated product based on the national per-pound price as proved by the most recent Feeding America Product Valuation Survey. Feeding America, the national food bank network that sets the standards for fiscal operations of food banks, valued USDA commodities at \$1.57 per pound and non-USDA commodities at \$1.93 per pound for the year ended June 30, 2023. Feeding America valued USDA commodities at \$1.53 per pound and non-USDA commodities at \$1.92 per pound for the year ended June 30, 2022. The Food Bank recognizes donated inventories as revenue in the statements of activities and changes in net assets. Donated inventories are recognized as expenses when distributed.

The donated commodities distributed includes spoilage and shrinkage for the years ended June 30, 2023 and 2022, of \$1,809,420 and \$814,791, respectively for non-USDA items. There was \$12,584 and \$0 shrinkage for USDA items for the years ended June 30, 2023 and 2022, respectively. The total spoilage and shrinkage represents 2.6% and 1% of the total costs and pounds of food distributed in fiscal years ended June 30, 2023 and 2022, 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 \$5,000 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

# Alameda County Community Food Bank

## Notes to Financial Statements

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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, 2023 and 2022.

**Leases** – In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)* (“ASU No. 2016-02”), which supersedes existing guidance for accounting for leases under *Leases (Topic 840)*. The Food Bank elected not to adopt ASU No. 2016-02 on July 1, 2022, as it was not significant to the financial statements as a whole.

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

### Revenue recognition

**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 and there is an increase to net assets without donor restrictions when the barrier is considered overcome. Allowable expenditures under such agreements are incurred and decrease 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.



## Alameda County Community Food Bank Notes to Financial Statements

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**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.

The Food Bank received and utilized donated goods and services primarily representing produce processing fees, auction event items, and professional services totaling \$250,794 and \$355,580 during the years ended June 30, 2023 and 2022, respectively.

The Food Bank is dependent on and regularly utilizes the services of volunteers. The Food Bank volunteers donated approximately 68,000 hours and 80,000 hours in years ended June 30, 2023 and 2022, 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 \$2.1 million at \$31.80 per hour for the year ended June 30, 2023 (approximately \$2.4 million at \$29.95 per hour in 2022). 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 \$996,199 and \$902,928 for the years ended June 30, 2023 and 2022, 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 was not aware of any uncertain tax positions as of June 30, 2023 and 2022.

# Alameda County Community Food Bank

## Notes to Financial Statements

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**Financial instruments** – Financial instruments that potentially subject the Food Bank to concentrations of credit risk consist principally of cash and cash equivalents and investments. Such amounts may, at times, exceed Securities Investor Protection Corporation (SIPC) and Federal Deposit Insurance Corporation (FDIC) 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 that 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 20, 2023, 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.

**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.

## Alameda County Community Food Bank Notes to Financial Statements

The following is a description of the valuation methodologies used for assets measured at fair value. There had been no changes in the methodologies used at June 30, 2023 and 2022.

**Municipal bonds and fixed income**— The fair value of municipal bonds and fixed income 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 investments are generally categorized in Level 2 of the fair value hierarchy.

**Mutual funds and equities** – Mutual funds and equities are listed on a national market or exchange and 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. 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, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Domestic equities	\$ 3,295,394	\$ 3,295,394	\$ -	\$ -
International equities	1,329,665	1,329,665	-	-
Other	761,636	761,636	-	-
Fixed income and municipal bonds	<u>43,700,792</u>	<u>-</u>	<u>43,700,792</u>	<u>-</u>
Total	<u>\$ 49,087,487</u>	<u>\$ 5,386,695</u>	<u>\$ 43,700,792</u>	<u>\$ -</u>

The following table provides information about the Food Bank's financial assets measured at fair value on June 30, 2022:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Domestic equities	\$ 1,278,716	\$ 1,278,716	\$ -	\$ -
International equities	954,962	954,962	-	-
Other	57,121	57,121	-	-
Fixed income and municipal bonds	<u>41,556,652</u>	<u>-</u>	<u>41,556,652</u>	<u>-</u>
Total	<u>\$ 43,847,451</u>	<u>\$ 2,290,799</u>	<u>\$ 41,556,652</u>	<u>\$ -</u>

### NOTE 3 – PROMISES TO GIVE

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

	<u>2023</u>	<u>2022</u>
Pledges less than one year	\$ 1,679,925	\$ 863,584
Between one to five years	40,000	290,416
Present value discount at effective rate of 0.66%	<u>(2,229)</u>	<u>(9,584)</u>
Total	<u>\$ 1,717,696</u>	<u>\$ 1,144,416</u>

# Alameda County Community Food Bank

## Notes to Financial Statements

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Eight and five donors comprised the promise to give balance as of June 30, 2023 and 2022, respectively. The largest promise to give as of June 30, 2023 and 2022, equaled \$765,731 and \$600,000, respectively.

### NOTE 4 – INVENTORY

Inventory consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Government commodities	\$ 773,608	\$ 253,096
Donated food	1,810,214	1,871,204
Purchased food	<u>449,206</u>	<u>1,476,461</u>
Total	<u>\$ 3,033,028</u>	<u>\$ 3,600,761</u>

### NOTE 5 – PROPERTY AND EQUIPMENT, NET

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

	<u>2023</u>	<u>2022</u>
Building and improvements	\$ 14,564,210	\$ 11,955,570
Land	2,540,575	2,540,575
Office furniture and equipment	2,559,245	2,182,063
Vehicles	1,781,132	1,775,372
Warehouse equipment	<u>523,329</u>	<u>522,986</u>
	21,968,491	18,976,566
Less: accumulated depreciation	<u>(9,153,772)</u>	<u>(8,004,479)</u>
	12,814,719	10,972,087
Construction in progress	<u>109,338</u>	<u>2,039,657</u>
Total	<u>\$ 12,924,057</u>	<u>\$ 13,011,744</u>

**Alameda County Community Food Bank**  
**Notes to Financial Statements**

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**NOTE 6 – BOARD-DESIGNATED NET ASSETS**

Board-designated appropriations at June 30 were as follows:

	2023	2022
Property and equipment, net	\$ 12,924,057	\$ 13,011,744
Inventory	3,033,028	3,600,761
Working capital reserve	2,000,000	2,000,000
Capital projects in process	425,000	1,500,000
Member agency capacity	4,059,000	3,500,000
Pandemic recovery	33,000,000	33,000,000
3-month reserve	11,792,154	12,470,808
Emergency reserve	12,283,386	11,959,137
Total	\$ 79,516,625	\$ 81,042,450

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* – \$425,000 as of June 30, 2023, represents food rescue program database, concrete repair work and a truck (for which a deposit was required). \$1,500,000 as of June 30, 2022, represents warehouse final improvements including additional community market cooler and racking.

*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 10-year financial plan that 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 three months’ operating expense excluding depreciation is required by Feeding America. The calculation is based on project average three months of operating expense for the 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 slowdowns, natural disasters, or other emergencies.

The total of working capital reserve, 3-month reserve, emergency reserve, pandemic recovery reserve, member agency capacity, and capital projects in process at June 30, 2023 and 2022, represents operating reserves which provides coverage of operating expenses excluding depreciation of 16.1 and 15.1 months, respectively.

# Alameda County Community Food Bank

## Notes to Financial Statements

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### NOTE 7 – WITH DONOR RESTRICTION NET ASSETS

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

	<u>2023</u>	<u>2022</u>
General operations-time restriction	\$ 1,011,500	\$ 900,000
Food purchases and distribution	1,048,328	493,147
Resource development	90,000	102,012
SNAP-CalFresh Outreach	153,854	158,970
Other food distribution and agency capacity	614,646	1,143,497
Facilities projects	283,934	-
Organizational development and research	34,100	-
Advocacy	942	-
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 3,237,304</u>	<u>\$ 2,797,626</u>

All net assets with donor restrictions are expected to be released from restriction by June 30, 2024.

### 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>2023</u>	<u>2022</u>
Food purchases and distribution	\$ 1,863,738	\$ 990,880
General operations-time restriction	300,000	530,000
Organizational development and research	318,702	-
SNAP-CalFresh Outreach	263,682	225,335
Facilities projects	122,932	215,878
Other food distribution and agency capacity	685,668	287,004
Advocacy	5,059	-
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 3,559,781</u>	<u>\$ 2,249,097</u>

# Alameda County Community Food Bank

## Notes to Financial Statements

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### NOTE 9 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Food Bank’s financial assets as of June 30, 2023 and 2022, 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.

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 13,873,002	\$ 18,854,259
Grants receivable	5,143,553	7,832,272
Promises to give, net	1,717,696	1,144,416
Program revenue and other receivables	86,465	179,794
Investments	49,087,487	43,847,451
Financial assets at June 30	\$ 69,908,203	\$ 71,858,192
Less those unavailable for general expenditures within one year, due to:		
Feeding America requirement, 3-month reserve	\$ 11,792,154	\$ 12,470,808
Board-designated assets, capital projects in process	425,000	1,500,000
Promises to give to be collected in more than one year	40,000	290,416
Total unavailable for general expenditures within one year	12,257,154	14,261,224
Financial assets available to meet cash needs for general expenditures within one year	\$ 57,651,049	\$ 57,596,968

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 that are available if needed within one year and are therefore not subtracted above.

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, 2023 and 2022, the Food Bank has remaining financial assets equivalent to an additional fourteen and sixteen 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, inventory replacement, planned future operations, opportunities to enhance the Food Bank’s mission, unanticipated expense, and sudden shortfalls in revenue.

**Alameda County Community Food Bank**  
**Notes to Financial Statements**

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**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, 2023 and 2022, were \$485,524 and \$446,268, 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>	
2024	\$ 68,084
2025	58,575
2026	43,908
2027	27,564
2028	10,803
	<hr/>
	\$ 208,934
	<hr/> <hr/>

Lease expense for the years ended June 30, 2023 and 2022, was \$67,618 and \$78,536, respectively.

**Contingencies** – 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 that 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**

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**Alameda County Community Food Bank**  
**Schedule of Other Government Awards**  
**Year Ended June 30, 2023**

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 Food and Agriculture CALFresh Advocacy and Outreach	Master Contract #900147	\$ 2,069,559	7/1/22-6/30/23	\$ 1,040,760
<u>City of Hayward</u>				
Department of Library & Community Svcs Food Distribution Food Purchase Program	Resolution No.19-095	30,000	7/1/22-6/30/23	30,000
<u>State of California</u>				
California Department of Social Services:				
TEFAP (CalFood-A)	15-MOU-00105	235,697	7/1/22-4/30/25	235,697
TEFAP (CalFood-B)	15-MOU-00105	3,551,078	7/1/22-4/30/25	1,501,623
Emergency Food For Families Fund (formerly Tax Check-Off)	15-MOU-00105	29,258	7/1/22-4/30/25	29,258
CDSS Capacity	SGRT-22-0001	5,154,988	7/1/21-6/30/26	1,149,119
California Department of food and agriculture:				
Food Box Program	15-MOU-00105	224,180	10/1/21-6/30/24	102,150
Total State of California		9,195,201		3,017,847
Total Expenditures of Other Government Awards		\$ 11,294,760		\$ 4,088,607

**Alameda County Community Food Bank  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023**

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>Food Distribution Cluster</u>				
U.S. Department of Agriculture				
California Department of Social Services -				
The Emergency Food Assistance Program (TEFAP)	10.568	22-MOU-00105	\$ -	\$ 221,956
USDA Food Commodities	10.569	22-MOU-00105	-	4,926,901
Total Food Distribution Cluster			-	5,148,857
<u>Supplemental Nutrition Assistance Program Cluster</u>				
U.S. Department of Agriculture				
Pass - through programs from:				
County of Alameda Social Services Agency -				
CALFresh Advocacy and Outreach Program	10.561	MC# 900147; PC# 23371	-	1,040,759
Nutrition Education Obesity Prevention Program and Coordination	10.561	MC# 900147; PC# 19341	-	25,120
California Department of Social Services -				
CAFB- SNAP CalFresh Outreach Program	10.561	Agreement No. 21-7024	-	19,635
CAFB- SNAP CalFresh Outreach Program	10.561	Agreement No. 21-7024	-	84,147
Total Supplemental Nutrition Assistant Program Cluster			-	1,169,661
<u>COVID-19 - Coronavirus Relief Fund</u>				
U.S. Department of Treasury				
Pass - through programs from:				
County of Alameda Social Services Agency -				
Emergency Food Distribution Program	21.019	MC# 900147; PC# 24367	-	8,526,659
Total Expenditures of Federal Awards			\$ -	\$ 14,845,177

# Alameda County Community Food Bank

## Notes to Schedule of Expenditures of Federal Awards

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### 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, 2023. 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 \$14,845,177 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 10% 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***

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 (the “Food Bank”), which comprise the statement of financial position as of and for the year ended June 30, 2023, 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 20, 2023.

### **Report on 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 or significant deficiencies may exist that were not identified.

## **Report on 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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

San Francisco, California  
November 20, 2023

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

The Board of Directors  
Alameda County Community Food Bank

## **Report on Compliance for the Major Federal Program**

### ***Opinion on the Major Federal Program***

We have audited Alameda County Community Food Bank's (the "Food Bank") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect the Food Bank's major federal program for the year ended June 30, 2023. The Food Bank's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Food Bank complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2023.

### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Food Bank and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Food Bank's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Food Bank's federal program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Food Bank's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Food Bank's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Food Bank's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Food Bank's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Food Bank's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

The image shows a handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

San Francisco, California

November 20, 2023

**Alameda County Community Food Bank**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2023**

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**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 the 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 program and type of auditor’s report issued on compliance for the major federal program:

<i>Federal Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for the Major Federal Program</i>
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

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**Section II - Financial Statement Findings**

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None reported.

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**Section III - Federal Award Findings and Questioned Costs**

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None reported.

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