



Reports of Independent Auditors and
Financial Statements with
Supplementary Information

Alameda County Community Food Bank

June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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 18, 2024, 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 18, 2024

Financial Statements

Alameda County Community Food Bank
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 14,015,523	\$ 13,873,002
Grants receivable	3,033,329	5,143,553
Promises to give, net	1,286,859	1,717,696
Program and other receivables	46,520	86,465
Inventory	2,839,934	3,033,028
Prepaid expenses and deposits	493,574	439,139
Investments	54,595,607	49,087,487
Property and equipment, net	12,103,181	12,924,057
	\$ 88,414,527	\$ 86,304,427
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,693,244	\$ 1,731,555
Accrued compensated absences	747,542	770,778
Deferred revenue	61,055	48,165
	2,501,841	2,550,498
NET ASSETS		
Without donor restrictions:		
Undesignated	1,000,000	1,000,000
Board-designated:		
Inventory	2,839,934	3,033,028
Property and equipment, net	12,103,181	12,924,057
Board-designated (financial assets)	67,547,515	63,559,540
	82,490,630	79,516,625
	83,490,630	80,516,625
With donor restrictions	2,422,056	3,237,304
	85,912,686	83,753,929
	\$ 88,414,527	\$ 86,304,427

See accompanying notes.

Alameda County Community Food Bank
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Support and revenue:			
Donated commodities received	\$ 83,938,269	\$ -	\$ 83,938,269
Government contract revenue	14,695,372	-	14,695,372
Foundation/corporation grants	4,245,998	3,493,412	7,739,410
Individual contributions	20,741,462	32,300	20,773,762
Contributed goods and services	261,046	-	261,046
Special events, gross	1,319,292	-	1,319,292
Program revenue	278,804	-	278,804
Interest and other income	1,789,492	-	1,789,492
Net realized gain on investments	578,519	-	578,519
Net assets released from restrictions	4,340,960	(4,340,960)	-
	<u>132,189,214</u>	<u>(815,248)</u>	<u>131,373,966</u>
Total support and revenue			
EXPENSES			
Program expenses:			
Food distribution	110,616,614	-	110,616,614
Outreach	2,961,710	-	2,961,710
Agency services	4,977,878	-	4,977,878
Nutrition programs	242,036	-	242,036
Advocacy, research, and community engagement	1,902,444	-	1,902,444
Volunteer program	977,692	-	977,692
	<u>121,678,374</u>	<u>-</u>	<u>121,678,374</u>
Total program services			
INFRASTRUCTURE AND SUPPORTING SERVICES			
Resource development/fundraising	4,709,962	-	4,709,962
Management and general	4,332,482	-	4,332,482
	<u>9,042,444</u>	<u>-</u>	<u>9,042,444</u>
Total infrastructure and supporting services			
	<u>130,720,818</u>	<u>-</u>	<u>130,720,818</u>
Total expenses			
	<u>1,468,396</u>	<u>(815,248)</u>	<u>653,148</u>
Total net operating income			
NONOPERATING ACTIVITIES			
Net unrealized gain on investments	1,520,512	-	1,520,512
Net loss on disposal of equipment	(14,903)	-	(14,903)
	<u>1,505,609</u>	<u>-</u>	<u>1,505,609</u>
Total nonoperating income			
	<u>2,974,005</u>	<u>(815,248)</u>	<u>2,158,757</u>
CHANGES IN NET ASSETS			
NET ASSETS, beginning of year	<u>80,516,625</u>	<u>3,237,304</u>	<u>83,753,929</u>
NET ASSETS, end of year	<u>\$ 83,490,630</u>	<u>\$ 2,422,056</u>	<u>\$ 85,912,686</u>

See accompanying notes.

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

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Support and revenue:			
Donated commodities received	\$ 71,862,840	\$ -	\$ 71,862,840
Government 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)	-
Total support and revenue	<u>119,795,888</u>	<u>439,678</u>	<u>120,235,566</u>
EXPENSES			
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
Total program services	<u>113,167,287</u>	<u>-</u>	<u>113,167,287</u>
INFRASTRUCTURE AND SUPPORTING SERVICES			
Resource development/fundraising	5,003,025	-	5,003,025
Management and general	3,639,650	-	3,639,650
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>
NONOPERATING ACTIVITIES			
Net unrealized gain on investments	496,863	-	496,863
Net loss on disposal of equipment	(8,614)	-	(8,614)
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>

See accompanying notes.

Alameda County Community Food Bank
Statement of Functional Expenses
Year Ended June 30, 2024

	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	\$ 3,568,066	\$ 1,267,774	\$ 1,831,796	\$ 164,641	\$ 1,282,243	\$ 603,122	\$ 8,717,642	\$ 1,800,875	\$ 2,393,812	\$ 4,194,687	\$ 12,912,329
Payroll taxes	266,793	96,091	137,959	11,744	92,597	45,694	650,878	131,132	170,611	301,743	952,621
Employee benefits	940,002	339,530	483,742	35,275	295,751	136,002	2,230,302	388,761	483,269	872,030	3,102,332
Total personnel cost	4,774,861	1,703,395	2,453,497	211,660	1,670,591	784,818	11,598,822	2,320,768	3,047,692	5,368,460	16,967,282
OTHER EXPENSES											
Food handling and purchases	17,924,414	-	-	-	-	-	17,924,414	-	-	-	17,924,414
Professional services	277,293	79,668	81,297	5,205	70,972	16,534	530,969	261,843	821,308	1,083,151	1,614,120
Training and staff development	27,318	9,339	7,966	2,470	22,225	851	70,169	16,842	21,265	38,107	108,276
Office and administrative	69,764	15,554	26,484	983	20,919	8,903	142,607	47,192	196,253	243,445	386,052
Dues	63,741	890	100	-	1,100	789	66,620	17,207	5,366	22,573	89,193
Insurance	70,804	7,627	11,108	920	6,820	11,374	108,653	8,611	41,049	49,660	158,313
Occupancy	482,585	13,004	9,761	2,883	5,136	29,402	542,771	8,289	9,550	17,839	560,610
Resource development	922	-	-	-	254	262	1,438	1,252,328	-	1,252,328	1,253,766
Education and promotions	209,999	794,133	-	-	-	16,247	1,020,379	314,923	-	314,923	1,335,302
Community and agency services	962	208,424	2,232,912	710	3,340	-	2,446,348	2,426	-	2,426	2,448,774
Vehicles and transportation	1,229,084	-	-	-	2,605	-	1,231,689	-	-	-	1,231,689
Equipment	501,150	43,712	56,501	2,396	27,343	7,281	638,383	390,250	102,891	493,141	1,131,524
Depreciation	1,038,054	73,650	73,771	12,361	42,713	100,162	1,340,711	59,364	71,400	130,764	1,471,475
Travel	31,911	12,314	24,481	2,448	28,426	1,069	100,649	9,919	15,708	25,627	126,276
Total other expenses	21,928,001	1,258,315	2,524,381	30,376	231,853	192,874	26,165,800	2,389,194	1,284,790	3,673,984	29,839,784
Total expenses before Commodities distributed	26,702,862	2,961,710	4,977,878	242,036	1,902,444	977,692	37,764,622	4,709,962	4,332,482	9,042,444	46,807,066
DONATED COMMODITIES DISTRIBUTED	83,913,752	-	-	-	-	-	83,913,752	-	-	-	83,913,752
Total expenses	\$ 110,616,614	\$ 2,961,710	\$ 4,977,878	\$ 242,036	\$ 1,902,444	\$ 977,692	\$ 121,678,374	\$ 4,709,962	\$ 4,332,482	\$ 9,042,444	\$ 130,720,818

See accompanying notes.

Alameda County Community Food Bank
Statement of Functional Expenses
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	
PERSONNEL COSTS											
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
OTHER EXPENSES											
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	-	2,240	4,474,712
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
DONATED COMMODITIES DISTRIBUTED	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

See accompanying notes.

Alameda County Community Food Bank
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 2,158,757	\$ (1,086,147)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gain on investments	(2,099,031)	(546,428)
Changes in promises to give discount	(25,151)	7,355
Stock donations	(881,070)	(1,298,855)
Depreciation	1,471,475	1,221,850
Net loss on disposal of equipment	14,903	8,614
Donated commodities received	(83,938,269)	(71,862,840)
Donated commodities distributed	83,913,752	71,403,318
Changes in operating assets and liabilities:		
Grants receivable	2,110,224	2,688,719
Promises to give	455,988	(580,635)
Program and other receivables	39,945	93,329
Inventory	217,611	1,027,255
Prepaid expenses and deposits	(54,435)	365,929
Accounts payable and accrued expenses	(38,311)	(1,929,504)
Accrued compensated absences	(23,236)	29,330
Deferred revenue	12,890	14,983
Net cash provided by (used in) operating activities	3,336,042	(443,727)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(29,018,330)	(37,470,740)
Proceeds from sale of investments	26,490,311	34,075,987
Purchases of property and equipment	(665,502)	(1,142,777)
Net cash used in investing activities	(3,193,521)	(4,537,530)
NET CHANGES IN CASH AND CASH EQUIVALENTS	142,521	(4,981,257)
CASH AND CASH EQUIVALENTS, beginning of year	13,873,002	18,854,259
CASH AND CASH EQUIVALENTS, end of year	\$ 14,015,523	\$ 13,873,002

See accompanying notes.

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

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 59 million pounds of food in the 2024 fiscal year (55 million pounds of food in the 2023 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 340 strategically located member agencies, including schools, colleges and universities.

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 2024. Applications submitted equaled approximately 4,000 during the year ended June 30, 2024 (approximately 4,300 in 2023).

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

June 30, 2024 and 2023

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, 2024 and 2023, volunteer hours were equivalent to 46 and 35 full-time employees each year, respectively. Volunteer hours were approximately 90,000 and 68,000 for the years ended June 30, 2024 and 2023, 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 2024 revenue and support increased from fiscal year 2023 primarily due to the increase in donated commodities received. Government funding remained consistent with fiscal year 2023, while individual, corporate, and foundation revenue continue to decline following the surge in fiscal year 2021, which was related to the 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 \$82,490,630 and \$79,516,625 as of June 30, 2024 and 2023, 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.

Recent accounting pronouncements – In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, (ASU 2016-23), which requires the measurement of all expected credit losses for financial assets held based on historical experience, current conditions, and reasonable and supportable forecasts. This pronouncement is effective for fiscal years beginning after December 15, 2022. On July 1, 2023, the Food Bank adopted ASU 2016-13. The adoption did not have a material impact on the Food Bank’s financial statements.

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

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 are primarily government grants and 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, 2025.

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, 2024 and 2023.

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, 2024, a discount of \$27,380 was recorded on promises to give due in more than one year. As of June 30, 2023, a discount of \$2,229 was recorded on promises 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, 2024 and 2023.

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.

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

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 \$1.74 per pound and non-USDA commodities at \$1.97 per pound for the year ended June 30, 2024. 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. 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, 2024 and 2023, of \$1,476,330 and \$1,809,420, respectively for non-USDA items. There was \$6,010 and \$12,584 shrinkage for USDA items for the years ended June 30, 2024 and 2023, respectively. The total spoilage and shrinkage represents 1% and 2% of the total costs and pounds of food distributed in fiscal years ended June 30, 2024 and 2023, 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
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, 2024 and 2023.

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

Leases – In February 2016, the FASB issued 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 for the fiscal years ended June 30, 2024 and 2023, 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 deferred revenue. 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 the trust becomes irrevocable 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.

The Food Bank received and utilized donated goods and services primarily representing produce processing fees, auction event items, and professional services totaling \$261,046 and \$250,794 during the years ended June 30, 2024 and 2023, respectively.

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

The Food Bank is dependent on and regularly utilizes the services of volunteers. The Food Bank volunteers donated approximately 90,000 hours and 68,000 hours in years ended June 30, 2024 and 2023, 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 \$3 million at \$33.49 per hour for the year ended June 30, 2024 (approximately \$2.1 million at \$31.80 per hour in 2023). 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 – Investment income, including realized and unrealized gains and losses, are included as income in the year earned. Investment income is reported net of direct investment expenses.

Advertising – The costs of advertising are charged to expense as incurred. Advertising expense was \$1,263,316 and \$996,199 for the years ended June 30, 2024 and 2023, 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, 2024 and 2023.

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.

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

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 18, 2024, 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.

The following is a description of the valuation methodologies used for assets measured at fair value:

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.

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

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.

The following table provides information about the Food Bank’s financial assets measured at fair value on a recurring basis as of June 30, 2024:

	Total	Level 1	Level 2	Level 3
Domestic equities	\$ 4,801,816	\$ 4,801,816	\$ -	\$ -
International equities	1,506,762	1,506,762	-	-
Other	1,383,588	1,383,588	-	-
Fixed income and municipal bonds	46,903,441	-	46,903,441	-
Total	<u>\$ 54,595,607</u>	<u>\$ 7,692,166</u>	<u>\$ 46,903,441</u>	<u>\$ -</u>

The following table provides information about the Food Bank’s financial assets measured at fair value on June 30, 2023:

	Total	Level 1	Level 2	Level 3
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	43,700,792	-	43,700,792	-
Total	<u>\$ 49,087,487</u>	<u>\$ 5,386,695</u>	<u>\$ 43,700,792</u>	<u>\$ -</u>

Note 3 – Promises to Give

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

	2024	2023
Pledges less than one year	\$ 786,739	\$ 1,679,925
Between one to five years	527,500	40,000
Present value discount at effective rate of 0.66%	(27,380)	(2,229)
Total	<u>\$ 1,286,859</u>	<u>\$ 1,717,696</u>

Eight donors comprised the promise to give balance as of June 30, 2024 and 2023. The largest promise to give as of June 30, 2024 and 2023, equaled \$600,000 and \$765,731, respectively.

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

Note 4 – Inventory

Inventory consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Government commodities	\$ 1,016,143	\$ 773,608
Donated food	1,592,196	1,810,214
Purchased food	<u>231,595</u>	<u>449,206</u>
Total	<u>\$ 2,839,934</u>	<u>\$ 3,033,028</u>

Note 5 – Property and Equipment, Net

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

	<u>2024</u>	<u>2023</u>
Building and improvements	\$ 14,794,196	\$ 14,564,210
Land	2,540,575	2,540,575
Office furniture and equipment	2,691,766	2,559,245
Vehicles	2,025,362	1,781,132
Warehouse equipment	<u>616,472</u>	<u>523,329</u>
	22,668,371	21,968,491
Less: accumulated depreciation	<u>(10,589,351)</u>	<u>(9,153,772)</u>
	12,079,020	12,814,719
Construction in progress	<u>24,161</u>	<u>109,338</u>
Total	<u>\$ 12,103,181</u>	<u>\$ 12,924,057</u>

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

Note 6 – Board-Designated Net Assets

Board-designated appropriations at June 30 were as follows:

	2024	2023
Property and equipment, net	\$ 12,103,181	\$ 12,924,057
Inventory	2,839,934	3,033,028
Financial assets:		
Working capital reserve	2,000,000	2,000,000
Capital projects in process	550,000	425,000
Member agency capacity	2,175,350	4,059,000
Pandemic recovery	33,000,000	33,000,000
3-month reserve	11,509,033	11,792,154
Emergency reserve	18,313,132	12,283,386
Total financial assets	67,547,515	63,559,540
Total board-designated net assets	\$ 82,490,630	\$ 79,516,625

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 – \$550,000 as of June 30, 2024, represents office, kitchen, bathroom remodel, lighting led, and salesforce program. \$425,000 as of June 30, 2023, food rescue program database, concrete repair work and a truck (for which a deposit was required).

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 2029. 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.

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

The total of working capital reserve, three-month reserve, emergency reserve, pandemic recovery reserve, member agency capacity, and capital projects in process at June 30, 2024 and 2023, represents operating reserves which provides coverage of operating expenses excluding depreciation of 17.5 and 16.1 months, respectively.

Note 7 – With Donor Restriction Net Assets

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

	2024	2023
General operations-time restriction	\$ 1,155,000	\$ 1,011,500
Food purchases and distribution	715,057	1,048,328
Resource development	50,000	90,000
SNAP-CalFresh Outreach	55,293	153,854
Other food distribution and agency capacity	236,731	614,646
Facilities projects	145,625	283,934
Organizational development and research	64,350	34,100
Advocacy	-	942
	\$ 2,422,056	\$ 3,237,304
Total		

All net assets with donor restrictions are expected to be released from restriction by June 30, 2026.

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:

	2024	2023
Food purchases and distribution	\$ 2,331,411	\$ 1,863,738
General operations-time restriction	711,500	300,000
Organizational development and research	519,322	318,702
SNAP-CalFresh Outreach	223,561	263,682
Facilities projects	167,310	122,932
Other food distribution and agency capacity	377,914	685,668
Advocacy	9,942	5,059
	\$ 4,340,960	\$ 3,559,781
Total		

Alameda County Community Food Bank
Notes to Financial Statements
June 30, 2024 and 2023

Note 9 – Liquidity and Funds Available

The following table reflects the Food Bank’s financial assets as of June 30, 2024 and 2023, 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.

	2024	2023
Financial assets:		
Cash and cash equivalents	14,015,523	\$ 13,873,002
Grants receivable	3,033,329	5,143,553
Promises to give, net	1,286,859	1,717,696
Program revenue and other receivables	46,520	86,465
Investments	54,595,607	49,087,487
Financial assets at June 30	72,977,838	69,908,203
Less those unavailable for general expenditures within one year, due to:		
Feeding America requirement, 3-month reserve	11,509,033	11,792,154
Board-designated assets, capital projects in process	550,000	425,000
Promises to give to be collected in more than one year	527,500	40,000
Total unavailable for general expenditures within one year	12,586,533	12,257,154
Financial assets available to meet cash needs for general expenditures within one year	\$ 60,391,305	\$ 57,651,049

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, pandemic recovery, member agency capacity, 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, 2024 and 2023, the Food Bank has remaining financial assets equivalent to an additional sixteen and fourteen 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
June 30, 2024 and 2023

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, 2024 and 2023, were \$496,067 and \$485,524, respectively.

Note 11 – Commitments and Contingencies

Operating lease under Leases (Topic 840) – 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>	
2025	\$ 113,509
2026	98,229
2027	83,261
2027	65,780
2028	31,817
	\$ 392,596
	\$ 392,596

Lease expense for the years ended June 30, 2024 and 2023, was \$113,886 and \$67,618, 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

**Alameda County Community Food Bank
Schedule of Other Government Awards
Year Ended June 30, 2024**

Grantor/Pass - Through Grantor Program Title	Contract Number	Contract Amount	Contract Period	Disbursements/ Expenditures
<u>County of Alameda Social Services Agency</u>				
Department of Food and Agriculture CALFresh Advocacy and Outreach	MC# 900147; Board PO# 18788-PC# 23371	\$ 2,276,983	7/1/23-6/30/24	\$ 1,138,492
<u>City of Hayward</u>				
Department of Library & Community Svcs Food Distribution Food Purchase Program	Resolution No.19-095	30,000		6,000
<u>State of California</u>				
California Department of Social Services:				
TEFAP (CalFood-A)	15-MOU-00105	230,671	7/1/22-4/30/25	230,671
TEFAP (CalFood-B)	15-MOU-00105	3,551,078	7/1/22-4/30/25	1,543,177
Emergency Food For Families Fund (formerly Tax Check-Off)	15-MOU-00105	1,603	7/1/23-4/30/24	1,603
CDSS Capacity	SGRT-22-0001	5,154,988	7/1/21-6/30/26	4,005,869
California Department of Health Care Services CA PATH CITED round 2	CA PATH CITED round 2	286,735		77,111
Total State of California		9,225,075		5,858,431
Total Expenditures of Other Government Awards		\$ 11,532,058		\$ 7,002,923

Alameda County Community Food Bank

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

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 Program</u>				
U.S. Department of Homeland Security				
Pass - through programs from:				
United Way of the Bay Area				
UW-Emergency Food and Shelter Program	97.024	Phase 40	\$ -	\$ 22,500
UW-Emergency Food and Shelter Program	97.024	Phase 41	-	44,195
Total Emergency Food and Shelter National Board Program			-	66,695
<u>The Emergency Food Assistance Program</u>				
U.S. Department of Agriculture				
Pass - through programs from:				
California Department of Social Services -				
Commodity Credit Corporation FFY 2023	10.187	MOU-22-00105	-	97,602
Commodity Credit Corporation FFY 2024	10.187	MOU-22-00105	-	42,508
Total Emergency Food Assistance Program			-	140,110
<u>Food Distribution Cluster</u>				
U.S. Department of Agriculture				
Pass - through programs from:				
California Department of Social Services:				
The Emergency Food Assistance Program (TEFAP) FFY 2023	10.568	MOU-22-00105	-	279,851
The Emergency Food Assistance Program (TEFAP) FFY 2024	10.568	MOU-22-00105	-	133,896
The Emergency Food Assistance Program FY24	10.568	MOU-22-7025	-	13,633
California Department of Social Services -				
USDA Food Commodities	10.569	MOU# 15-MOU-00105	-	10,673,643
Total Food Distribution Cluster			-	11,101,023
<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; Board PO# 18788-PC# 23371	-	1,138,492
Nutrition Education Obesity Prevention Program and Coordination	10.561	MC# 900147; PC# 19341	-	37,467
California Department of Social Services				
CAFB - SNAP CalFresh Outreach Program	10.561	Agreement No. 21-7024	-	58,906
Total Supplemental Nutrition Assistant Program Cluster			-	1,234,865
<u>COVID-19 - Coronavirus Relief Fund</u>				
U.S. Department of the Treasury				
Pass - through programs from:				
County of Alameda Social Services Agency -				
Emergency Food Distribution Program	21.019	MC# 900147; PC# 24367	-	5,823,400
Total Expenditures of Federal Awards			\$ -	\$ 18,366,093

See accompanying notes to schedule of expenditures of federal awards.

Alameda County Community Food Bank

Notes to 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, 2024. 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 \$18,366,093 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.

Single Audit Reports

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, 2024, 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 18, 2024.

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 18, 2024

Report of Independent Auditors on Compliance for Each 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 Each Major Federal Program

Opinion on Each 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 on each of the Food Bank's major federal programs for the year ended June 30, 2024. 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.

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 each major federal program for the year ended June 30, 2024.

Basis for Opinion on Each 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.



San Francisco, California

November 18, 2024

Alameda County Community Food Bank
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

I. Summary of Auditor's Results

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 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>
10.568/10.569	Food Distribution Cluster	Unmodified
10.561	Supplemental Nutrition Assistance Program	Unmodified

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

Auditee qualified as low-risk auditee? Yes No

II. Financial Statements Findings

None reported.

III. Federal Awards Findings and Questioned Costs

None reported.

