



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

**Central California Food Bank and Subsidiary**

*June 30, 2021*

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## **Report of Independent Auditors**

To the Board of Directors  
Central California Food Bank and Subsidiary

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Central California Food Bank (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Central California Food Bank and Subsidiary as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the consolidating statement of financial position, consolidating statement of activities and changes in net assets, and the consolidating statement of cash flows on pages 30 through 32, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 December 3, 2021, on our consideration of Central California Food Bank and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Central California Food Bank and Subsidiary'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 Central California Food Bank and Subsidiary's internal control over financial reporting and compliance.



Fresno, California  
December 3, 2021

## **Consolidated Financial Statements**

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**Central California Food Bank and Subsidiary**  
**Consolidated Statement of Financial Position**  
**June 30, 2021**

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**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 30,554,032
Investments in mutual funds	239,720
Accounts receivable	89,828
Grants receivable	1,398,468
Pledges receivable	53,500
Inventory	6,245,594
Prepaid expenses	69,846
Restricted cash	234,678

Total current assets	38,885,666
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PROPERTY AND EQUIPMENT, net	9,255,673
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**OTHER ASSETS**

Loan receivable	5,951,440
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Total assets	<u>\$ 54,092,779</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 127,667
Accrued expenses	303,147
Current portion on notes payable	3,012

Total current liabilities	433,826
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NOTES PAYABLE, net of current portion	8,536,000
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Total liabilities	<u>8,969,826</u>
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**NET ASSETS**

Without donor restriction	43,556,570
With donor restriction	1,566,383

Total net assets	<u>45,122,953</u>
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Total liabilities and net assets	<u>\$ 54,092,779</u>
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**Central California Food Bank and Subsidiary**  
**Consolidated Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2021**

	Without Donor Restriction	With Donor Restriction	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions - commodities	\$ 59,680,610	\$ -	\$ 59,680,610
Grants - commodities	14,642,861	-	14,642,861
Grants - operations and administrative	7,055,249	-	7,055,249
Contributions - other	30,165,470	2,814,267	32,979,737
Fundraising and direct mail campaigns	1,176,926	-	1,176,926
Agency fees and charges	1,806,761	-	1,806,761
Paycheck Protection Program loan forgiveness	510,700	-	510,700
Gain on sale of assets	11,256	-	11,256
Interest and dividend income, net	80,427	-	80,427
Unrealized loss on investments	(314)	-	(314)
Total revenues, gains, and other support	115,129,946	2,814,267	117,944,213
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Restrictions satisfied by payment of related expenses	2,859,545	(2,859,545)	-
Total revenues, gains, and other support after net assets released from restrictions	117,989,491	(45,278)	117,944,213
<b>EXPENSES</b>			
Program services	87,948,726	-	87,948,726
Supporting services:			
Management and general	902,879	-	902,879
Fundraising	644,707	-	644,707
Total expenses	89,496,312	-	89,496,312
Changes in net assets	28,493,179	(45,278)	28,447,901
NET ASSETS, beginning of year	15,063,391	1,611,661	16,675,052
NET ASSETS, end of year	\$ 43,556,570	\$ 1,566,383	\$ 45,122,953

**Central California Food Bank and Subsidiary**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2021**

	Program	Management and General	Fundraising	Total
Contributed commodities	\$ 75,220,645	\$ -	\$ -	\$ 75,220,645
Purchased commodities	6,484,152	-	-	6,484,152
Salaries and related expenses	2,516,814	548,309	435,654	3,500,777
Supplies and materials	1,126,806	6,134	4,874	1,137,814
Depreciation	595,906	66,212	-	662,118
Outside services	563,234	48,481	38,520	650,235
Repairs and maintenance	388,654	-	-	388,654
Freight, fuel, and transportation	270,880	-	-	270,880
Office expenses	147,721	25,169	19,999	192,889
Rents	135,354	29,488	23,429	188,271
Interest expense	134,190	52,462	-	186,652
Insurance	89,634	19,528	15,516	124,678
Utilities	88,825	19,351	15,375	123,551
Dues and subscriptions	75,444	-	29,495	104,939
Professional fees	-	67,295	-	67,295
Accounting and auditing	33,394	7,275	5,780	46,449
Telephone	31,143	6,785	5,391	43,319
Special events	-	-	36,875	36,875
Seminars, training, and workshops	21,617	4,622	3,672	29,911
Miscellaneous	16,199	-	8,722	24,921
Travel and meetings	8,114	1,768	1,405	11,287
	<u>\$ 87,948,726</u>	<u>\$ 902,879</u>	<u>\$ 644,707</u>	<u>\$ 89,496,312</u>



**Central California Food Bank and Subsidiary**  
**Consolidated Statement of Cash Flows**  
**Year Ended June 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ 28,447,901
Adjustments to reconcile changes in net assets to net cash from operating activities:	
Depreciation	662,118
Gain on sale of assets	(11,256)
Bad debt expense	(2,511)
Debt issuance interest expense	43,686
Contributed commodities	(59,680,610)
Distribution of contributed commodities	61,157,676
Contributed commodities - grants	(14,642,861)
Distribution of contributed commodities - grants	14,062,969
Paycheck Protection Program loan forgiveness	(510,700)
Dividend income, reinvested	(4,476)
Unrealized loss on investments	314
Changes in operating assets and liabilities:	
Accounts receivable	117,837
Grants receivable	(674,821)
Pledges receivable	50,000
Inventory	(1,655,088)
Prepaid expenses	(10,996)
Accounts payable	(52,567)
Accrued expenses	30,372
Deferred revenue	(24,342)

Net cash from operating activities	27,302,645
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(1,115,152)
Proceed from sales of property and equipment	41,012

Net cash from investing activities	(1,074,140)
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**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments on notes payable	(1,062,488)
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Net change in cash, cash equivalents, and restricted cash	25,166,017
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CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	5,622,693
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CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	\$ 30,788,710
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**RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH TO STATEMENT OF FINANCIAL POSITION**

Cash and cash equivalents	\$ 30,554,032
Restricted cash	234,678

Total cash, cash equivalents, and restricted cash	\$ 30,788,710
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**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during the year for interest	\$ 142,966
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# Central California Food Bank and Subsidiary

## Notes to Consolidated Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of activities** – Central California Food Bank is a California nonprofit corporation established to conduct a program that provides food pantries and agencies of Fresno, Madera, Tulare, Kern, and Kings counties with an organizational resource whose volume purchasing, warehousing, and food product management capacity efficiently and effectively deliver food and goods.

Food and commodities are donated by the general public and government agencies. Revenues are primarily derived from fundraising, direct mail campaigns, grants, and contributions.

Central California Food Bank is affiliated with the national network of food banks known as Feeding America.

CCFB Real Estate, Inc., is a California nonprofit corporation established in May 2018 for the purpose of performing the charitable functions of Central California Food Bank and to complete the New Markets Tax Credit (NMTC) financing to purchase office and warehouse facilities located at 4010 East Amendola Drive, Fresno, California (CCFB RE Property).

**Principles of consolidation** – The financial statements include the accounts for Central California Food Bank (CCFB), and CCFB Real Estate, Inc. (CCFB RE), (collectively, the Organization), and have been consolidated in accordance with accounting principles generally accepted in the United States of America. The financial statements of the entities are consolidated because they are under common control and resources are shared between entities. All material intercompany transactions and balances have been eliminated.

A portion of the proceeds from the Northern California Community Loan Fund (NCCLF) A Loan and the NCCLF B Loan were used by CCFB RE to acquire the CCFB RE Property. The balance of the funds is being used by CCFB RE to renovate and improve the CCFB RE Property.

**Recently implemented pronouncement** – On July 1, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09 and other subsequently issued ASUs under Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, which provides a single comprehensive accounting standard for revenue recognition for contracts with customers and supersedes current industry-specific guidance. The new standard requires organizations to recognize revenue when control of promised goods or services is transferred to customers at an amount that reflects the consideration to which the organization expects to be entitled in exchange for the goods or services. The new model requires organizations to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time for each of these obligations. The new standard also significantly expands disclosure requirements regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for annual periods beginning after December 15, 2019, and as such, the Organization adopted the new standard effective July 1, 2020, using the full retrospective method. The adoption of this standard did not have a significant impact on the Organization's financial position, results of operations, or cash flows. No changes were recorded to previously reported revenues as a result of the adoption.

**Classification of net assets** – Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Without donor restriction* – Net assets not subject to use or time restrictions. A portion of these net assets may be designated by the Board of Directors for specific purposes.

## Central California Food Bank and Subsidiary

### Notes to Consolidated Financial Statements

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*With donor restriction* – Defined as that portion of net assets that consist of a restriction on the specific use or the occurrence of a certain future event. Net assets with donor restrictions represent amounts collected by the Organization to be utilized for specific purposes such as their backpack program, advertising campaigns, and diaper program. Restrictions on net assets are usually met within a year of receiving the amount restricted. Net assets with donor restrictions at June 30, 2021, totaled \$1,566,383. Net assets released from restrictions during the year ended June 30, 2021, totaled \$2,859,545.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

**Method of accounting** – The Organization uses the accrual basis method of accounting in accordance with accounting principles generally accepted in the United States of America.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Organization's method of valuation for commodities donated from the general public is considered a significant estimate.

**Cash and cash equivalents** – For purposes of reporting the consolidated statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Concentration of credit risk** – The Organization maintains cash balances in financial institutions. Noninterest bearing accounts are aggregated with interest bearing accounts and are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2021, uninsured cash balances totaled approximately \$30,254,000. The Organization has not experienced any losses on these funds held at financial institutions.

**Fair value of financial instruments** – The carrying values of cash and cash equivalents, promises to give and other receivables, inventory, and prepaid expenses, approximate fair value because of the terms and relative short maturity.

**Investment in mutual funds** – Investments in mutual funds consist of two open-end mutual funds and are carried at fair value. These investments are covered by the Securities Investor Protection Corporation up to \$500,000 (including \$100,000 of cash). Investment income and unrealized gains and losses are included in the changes in net assets.

**Accounts, grants, and pledges receivable** – Accounts receivable consist primarily of shared maintenance fees charged to agencies. Receivables are written off through an allowance for doubtful accounts when the Organization determines the payments will not be received. There was no allowance for doubtful accounts at June 30, 2021. All accounts receivable are noninterest bearing.

Grants receivable consists of amounts due from funding sources for services performed under cost reimbursement grants or contracts. Grants receivable are considered fully collectible and, therefore, no allowance for doubtful accounts has been reported.

# Central California Food Bank and Subsidiary

## Notes to Consolidated Financial Statements

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Pledges receivable consist of unconditional promises to give from donors that haven't been received as of year-end, or of pledges to be paid over multiple years in installments.

**Inventory** – Inventory consists of donated food and nonfood items, purchased food, and commodities received from the United States Department of Agriculture (USDA) and California Department of Social Services (CDSS). The USDA, as passed through the CDSS, contributes commodities to the Organization. USDA commodities are valued based on published USDA prices. CDSS provides additional food assistance to communities with high levels of unemployment due to the drought. The Drought Food Assistance Program (DFAP) was established and those commodities are valued based on estimated CDSS prices.

Donated inventory is valued based on a product valuation survey conducted for Feeding America.

Purchased food is valued at the latest purchase price.

**Restricted cash** – Restricted cash is maintained in bank controlled accounts for contingency and fee reserves specifically related for the NMTC transaction.

**Property and equipment** – It is the Organization's policy to capitalize property and equipment over \$2,500. Purchased property and equipment is capitalized at cost, donated property and equipment is recorded at fair value. Contributions of property and equipment are recorded without restriction donor restriction support, unless the donor stipulates how long the assets must be used. Expenditures that increase the life of the related assets are capitalized. Repairs and maintenance, including planned major maintenance activities, are charged to operations when incurred. Leasehold improvements are depreciated over the lesser of the remaining lease agreement or the estimated useful life. Depreciation is computed using the straight-line method over the following estimated useful lives:

Furnishings, equipment, and vehicles	3 to 10 years
Building and leasehold improvements	5 to 39 years

**Long-lived assets** – Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairment losses were recognized during the year ended June 30, 2021.

**Loan receivable** – Loan receivable is stated at the unpaid principal balance less an allowance for note losses. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experience, adverse situations that may affect the borrower's ability to repay and current economic conditions. There was no allowance recorded at June 30, 2021.

Interest on the loan is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

Loans are placed on nonaccrual when management believes that the loans are impaired or collection of interest is doubtful. Uncollectible interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income generally is not recognized on impaired loans unless the likelihood of further loss is remote. Interest payments received on impaired loans are applied as a reduction of the loan principal balances.

## Central California Food Bank and Subsidiary

### Notes to Consolidated Financial Statements

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**Donated goods and services** – The Organization reports the fair value of donated commodities over which it has control as without restriction public support and, shortly thereafter, as expense when distributed. During the year ended June 30, 2021, the Organization received approximately 33.34 million pounds and distributed approximately 31.95 million pounds. The approximate average wholesale value of one pound of donated product was determined to be \$1.79 based upon a product valuation study performed by Feeding America. The dollar amount of the received and distributed pounds is approximately \$59,681,000 and \$57,190,000, respectively, and is reported in the consolidated statement of activities.

Contributions of noncash assets are utilized by the Organization in providing services and are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

A number of unpaid volunteers have made significant contributions of their time to the Organization; however, the values of these services are not reflected in these consolidated financial statements since the recognition criteria was not met.

**Grant revenue** – Federal, state, and local governments have awarded grants to support the Organization's program activities that are conditioned on performing certain services or incurring certain reimbursable expenditures. The largest of these grants are the USDA Emergency Food Assistance and Trade Mitigation grants, which support the Organization's food distribution program to supplement the diets of low-income and needy persons. The grants are cost-reimbursement grants, which are recognized when the Organization incurs allowable and reasonable qualifying expenses, and commodity grants, which are recognized when the Organization receives the commodity from the granting agency. Cost-reimbursement grants are recognized as revenues increasing net assets without donor restrictions because the conditions and restrictions are met in the same period.

**Contributions and promises to give** – Unconditional contributions, including promises to give at estimated net realizable value, are recognized as revenue in the period received. Unconditional promises to give that are expected to be collected within one year are recognized at their net realizable value. Unconditional promises to give that are expected to be collected over periods over one year are recorded at present value of estimated cash flows. The allowance for uncollectible amounts is estimated based upon historical collection rates and specific identification of uncollectible amounts. The Organization did not record an allowance for uncollectible promises to give as the Organization expects the promises to be fully collectible.

**Advertising costs** – Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. Advertising costs were \$31,955 during the year ended June 30, 2021.

**Functional expenses** – The costs of providing the Organization's food programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Indirect or shared costs are allocated among program, support services and fundraising by a method that measures the relative degree of benefit, such as hours worked. Accordingly, certain costs have been allocated to program, supporting services, and fundraising benefited.

**Fundraising expenses** – Fundraising expenses are expensed as incurred. Revenue from fundraising events is recognized in the period in which the event takes place.

# Central California Food Bank and Subsidiary

## Notes to Consolidated Financial Statements

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**Income taxes** – CCFB is a tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code (IRC) and section 23701(d) of the State of California Corporate Code.

CCFB RE, Inc., is a tax-exempt corporation under section 501(c)(3) of the IRC.

**Uncertain tax positions** – The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Organization does not believe its consolidated financial statements include any uncertain tax positions.

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

The Organization has evaluated subsequent events through December 3, 2021, which is the date the consolidated financial statements were available to be issued.

### NOTE 2 – INVESTMENTS IN MUTUAL FUNDS

Investments in mutual funds carried at fair value consisted of the following at June 30, 2021:

Mutual funds:

Lord Abbett Short Duration Income Fund	\$ 80,659
Eaton Vance Low Duration Fund	<u>159,061</u>
	<u>\$ 239,720</u>

During the year ended June 30, 2021, interest and dividend income, net of investment fees was \$80,427.

### NOTE 3 – FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying consolidated statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# Central California Food Bank and Subsidiary

## Notes to Consolidated Financial Statements

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income funds	\$ 239,720	\$ -	\$ -	\$ 239,720
Total assets at fair value	<u>\$ 239,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,720</u>

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

**Level 1** – Quoted prices in active markets for identical assets or liabilities.

**Level 2** – Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or 3 inputs were available to the Organization.

**Level 1 fair value measurements** – The fair value of mutual funds is based on quoted net asset values of the shares held by the Organization at year-end on the active market where the funds are traded.

### NOTE 4 – INVENTORY

The Organization's inventory as of June 30, 2021, consisted of the following:

Donated commodities	\$ 1,509,756
USDA/CDSS commodities	2,221,357
Purchased commodities	<u>2,514,481</u>
	<u>\$ 6,245,594</u>

## Central California Food Bank and Subsidiary

### Notes to Consolidated Financial Statements

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#### NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2021:

Building	\$ 6,383,984
Building and leasehold improvements	1,899,468
Vehicles	1,818,492
Equipment	971,962
Office equipment and furnishings	180,373
Acquisition costs	<u>321,975</u>
	11,576,254
Less: accumulated depreciation	<u>(2,797,447)</u>
	8,778,807
Construction in progress	<u>476,866</u>
	<u><u>\$ 9,255,673</u></u>

Construction in progress consists of leasehold improvements for the implementation of a sprinkler system. Once the project is completed, the costs are reclassified to the appropriate asset class and depreciated over the shorter of the estimated useful life or the term of the lease.

Depreciation expense for the year ended June 30, 2021, was \$662,118.

#### NOTE 6 – LOAN RECEIVABLE

On June 28, 2018, the Organization made a loan to Chase NMTC CFB Investment Fund, LLC (Investment Fund), in the amount of \$5,951,440 (Leverage Loan). Security for the Leverage Loan is the membership interest in the Investment Fund. Interest on the Leverage Loan earns a per annum rate of 1%, with interest only payments commencing in September 2018, and quarterly thereafter until September 2026. Quarterly principal and interest payments of \$156,535 begin in December 2026. The Leverage Loan matures September 2036.

#### NOTE 7 – NEW MARKET TAX CREDITS

In June 2018, the Organization arranged NMTC financing as partial funding for the purchase of office and warehouse facilities located at 4010 East Amendola Drive, Fresno, California (CCFB RE Property).



# Central California Food Bank and Subsidiary

## Notes to Consolidated Financial Statements

NMTC is a program of the Community Development Financial Institutions Funds (CDFI), a division of the U.S. Department of the Treasury. Under the NMTC program, banks and other qualifying institutions make qualified equity investments (QEI) in Community Development Entities (CDEs) that have been certified and granted allocations by the CDFI of federal income tax credits. The funds provided by these investors are used as a means of providing favorable debt or equity financing to qualified borrowers in connection with qualifying projects located in low-income communities. The QEI cannot be redeemed for a minimum of seven years (Compliance Period), during which time substantially all of the QEI must be invested in qualified low income community investments, the majority of which take the form of investments in borrowers that must maintain their status as a qualified active low income business, as specified in the U.S. Treasury Regulations.

In connection with the purchase of the CCFB RE, NCCLF NMTC Sub-CDE 18, LLC, a single purpose CDE certified by the CDFI, made a promissory note in the amount of \$5,951,440 (NCCLF A Loan) and a promissory note in the amount of \$2,584,560 (NCCLF B Loan) to CCFB RE. Both the NCCLF A Loan and the NCCLF B Loan (collectively, NCCLF Loans) are secured by trust deeds on the CCFB RE Property.

Funding for the NCCLF Loans was provided by a \$8,800,000 QEI made by Chase NMTC CFB Investment Fund, LLC (Chase Fund) to NCCLF CDE. Chase Fund obtained the funds to make the QEI via a \$5,951,440 leverage loan by Central California Food Bank (see Note 7) and funding provided via a net equity investment, in the amount of \$2,848,560 by a tax credit investor.

### NOTE 8 – NOTES PAYABLE

Notes payable consisted of the following at June 30, 2021:

Note payable to NCCLF NMTC Sub-CDE 18, LLC, payable in quarterly interest only payments for the Compliance Period starting September 2018, through December 2026, after which, quarterly principle and interest payments of \$110,365 are due beginning March 2027, including a fixed interest rate of 1.219% through maturity, maturing September 2041, secured by the Organization's land, building, and equipment.	\$ 5,951,440
Note payable to NCCLF NMTC Sub-CDE 18, LLC, payable in quarterly interest only payments for the Compliance Period starting September 2018, through December 2026, after which, quarterly principle and interest payments of \$47,929 are due beginning March 2027, including a fixed interest rate of 1.219% through maturity, maturing September 2041, secured by the Organization's land, building, and equipment.	2,584,560
Note payable to CIT Bank N.A., payable in monthly principle and interest payments of \$764, including a fixed interest rate of 6.75% through maturity, maturing November 2021, secured by underlying equipment.	3,012
	8,539,012
Less: current portion	(3,012)
Notes payable, net of current portion	\$ 8,536,000

# Central California Food Bank and Subsidiary

## Notes to Consolidated Financial Statements

Annual maturities of notes payable as of June 30, 2021, are as follows:

<u>Years Ending June 30,</u>	
2022	\$ 3,012
2023	-
2024	-
2025	-
2026	-
Thereafter	<u>8,536,000</u>
	<u>\$ 8,539,012</u>

### NOTE 9 – GRANT REVENUE

Grant revenue is recognized when expenditures are incurred in accordance with the applicable grant agreements. The Organization also receives commodities from the USDA and CDSS. Revenues for these contributions are recognized when the commodities are received. Grant revenue for the year ended June 30, 2021, consisted of the following:

<u>Agency or Organization</u>	
Federal grants:	
USDA - commodities, distributed	\$ 9,732,088
USDA - beginning inventory	(1,213,996)
USDA - ending inventory	<u>1,565,578</u>
USDA – commodities, received	10,083,670
USDA - cost reimbursements	2,028,149
Department of Homeland Security	930,520
Department of Housing and Urban Development	425,551
Department of the Treasury	<u>1,725,629</u>
Total federal grants	<u>15,193,519</u>
Nonfederal grants:	
CDSS - commodities, distributed	4,559,191
CDSS - Diaper Program	1,122,739
Administrative cost reimbursements	612,788
California Nutrition Network	<u>209,873</u>
Total nonfederal grants	<u>6,504,591</u>
	<u>\$ 21,698,110</u>

# Central California Food Bank and Subsidiary

## Notes to Consolidated Financial Statements

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Amounts received from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Organization. There are no pending audit adjustments from grantor agencies at this time.

### NOTE 10 – FUNDRAISING AND DIRECT MAIL CAMPAIGNS

The Organization conducts various fundraising events and direct mail campaigns. Revenue from fundraising and direct mail campaigns for the year ended June 30, 2021, is as follows:

Event or Campaign	
Cultivation and acquisition mailings	\$ 969,543
Various	<u>207,383</u>
	<u>\$ 1,176,926</u>

### NOTE 11 – EMPLOYEE RETIREMENT PROGRAM

The Organization has a defined contribution retirement plan. Eligibility is based upon age and service requirements. Participants of the plan are allowed to make before-tax contributions and the Organization may make additional contributions to the plan on the participants' behalf. Retirement expense for the year ended June 30, 2021, was \$66,986.

### NOTE 12 – LEASE COMMITMENTS

In connection with the NMTC, CCFB entered into an agreement for leased property including a building and equipment from CCFB RE for the purpose of housing their operations. The lease calls for quarterly payments beginning December 1, 2018, through September 1, 2041. The future annual minimum lease payments under the lease are \$85,000 for each of the years ending June 30, 2021, through 2025. The future annual minimum lease payments escalate to \$545,000 starting the year ending June 30, 2026, and increase approximately \$20,000 each year thereafter, through 2035. The future annual minimum lease payments escalate to \$735,000 starting the year ending June 30, 2036, through 2041. Total rent expense included in the consolidated statement of functional expenses for the year ended June 30, 2021, was \$188,271.

### NOTE 13 – RISKS AND UNCERTAINTIES

**Legal** – The Organization is party to legal proceedings and claims which arise during the ordinary course of business. In the opinion of management and legal counsel, the ultimate outcome of the claims and litigation will not have a material effect on the Organization's financial position. In addition, management believes that any claims asserted would be settled within the limits of insurance coverage.

## Central California Food Bank and Subsidiary

### Notes to Consolidated Financial Statements

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**Impact from coronavirus outbreak** – The World Health Organization declared the novel coronavirus (COVID-19) outbreak a public health emergency. The Organization's operations are located in California, which has issued shelter-in-place restrictions and restricted gatherings of people due to the COVID-19 outbreak. Given the dynamic nature of these circumstances and business disruption, the Organization anticipates a significant short-term impact. The Organization will continue to monitor the situation closely, but given the uncertainty of the situation, an estimate of the impact to the consolidated financial statements cannot be made at this time.

#### NOTE 14 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Organization's financial assets as of June 30, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets available to meet cash needs for general expenditures within one year as of June 30, 2021:

Financial assets:	
Cash	\$ 30,554,032
Investments in mutual funds - at fair value	239,720
Accounts receivable	89,828
Grants receivable	1,398,468
Pledges receivable	53,500
Restricted cash	234,678
Loan receivable	<u>5,951,440</u>
Financial assets, at June 30, 2021	38,521,666
Less: those unavailable for general expenditure within one year, due to:	
Noncurrent portion of loan receivable	(5,951,440)
Restricted cash for capital improvements and required reserve	<u>(234,678)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 32,335,548</u>

The Organization's spending policy is to structure its financial assets to be available for operations, capital assets, and opportunities to enhance the Organization's mission. Feeding America requires the Organization to demonstrate unrestricted cash reserves equal to or greater than an average quarter's cash operating expenses or demonstrate positive working capital in each of the two preceding fiscal years. At June 30, 2021, the Organization was in compliance with this requirement.

## **Supplementary Information**

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**Central California Food Bank and Subsidiary**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
CDBG - Entitlement Grants Cluster			
U.S. Department of Housing and Urban Development			
Passed through the City of Visalia:			
COVID-19 - Community Development Block Grant (CDBG-CV)	14.218	B-20-MW-060035	\$ 425,551
Food Distribution Cluster			
U.S. Department of Agriculture:			
Passed through California State Department of Social Services:			
Emergency Food Assistance Program - administrative costs	10.568	15-MOU-00114	353,959
Emergency Food Assistance Program - commodities	10.569	15-MOU-00114	7,579,614
COVID-19 - Emergency Food Assistance Program - administrative costs	10.568	15-MOU-00114 - CARES	651,864
COVID-19 - Emergency Food Assistance Program - administrative costs	10.568	15-MOU-00114 - FFCRA	481,650
COVID-19 - Emergency Food Assistance Program - administrative costs	10.568	15-MOU-00114 - CRRS	294,382
Total Food Distribution Cluster			9,361,469
SNAP Cluster			
U.S. Department of Agriculture:			
Passed through California Association of Food Banks:			
State Administrative Matching Grants for Food Stamp Program	10.561	18-7013	78,254
Other Programs			
U.S. Department of Agriculture:			
Passed through California State Department of Social Services:			
Trade Mitigation Program Eligible Recipient Agency Operational Funds - administrative costs	10.178	15-MOU-00114	168,040
Trade Mitigation Program Eligible Recipient Agency Operational Funds - commodities	10.178	15-MOU-00114	2,152,474
Total Trade Mitigation Program			2,320,514
Total U.S. Department of Agriculture			11,760,237
U.S. Department of Homeland Security:			
Direct Award:			
Emergency Food and Shelter National Board Program - Fresno County	97.024	Phase 37	225,523
Emergency Food and Shelter National Board Program - Fresno County	97.024	Phase 38	298,230
COVID-19 - Emergency Food and Shelter National Board Program - Fresno County	97.024	Phase CARES	367,392
COVID-19 - Emergency Food and Shelter National Board Program - Madera County	97.024	Phase CARES	15,000
Emergency Food and Shelter National Board Program - Kings County	97.024	Phase 37	5,468
Emergency Food and Shelter National Board Program - Kings County	97.024	Phase 38	5,544
COVID-19 - Emergency Food and Shelter National Board Program - Kings County	97.024	Phase CARES	6,000
Emergency Food and Shelter National Board Program - Tulare County	97.024	Phase 38	7,363
Total U.S. Department of Homeland Security			930,520
U.S. Department of the Treasury:			
Passed through the City of Fresno:			
COVID-19 - Coronavirus Relief Fund (CRF)	21.019	N/A	200,000
Passed through California State Department of Social Services:			
COVID-19 - Coronavirus Relief Fund (CRF)	21.019	15-MOU-00114	1,525,629
Total U.S. Department of the Treasury			1,725,629
Total Expenditures of Federal Awards			\$ 14,841,937

**Central California Food Bank and Subsidiary**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation** – The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Central California Food Bank and Subsidiary (the Organization) reported on the accrual basis of accounting for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the consolidated financial position, changes in net assets, or cash flows of the Organization.

**Relationship to financial reports** – Information included in the accompany Schedule is in substantial agreement with the information reported in the related federal financial reports for major programs.

**Program costs** – The Organization's 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.

**Subrecipients** – The Organization does not pass through funds to subrecipients.

**NOTE 2 – INDIRECT COSTS**

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Single Audit Reports**

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## **Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
Central California Food Bank and Subsidiary

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Central California Food Bank and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 3, 2021.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Central California Food Bank and Subsidiary'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central California Food Bank and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Central California Food Bank and Subsidiary'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Central California Food Bank and Subsidiary's consolidated 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 consolidated 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 result of that testing, and not to provide an opinion on the effectiveness of the Central California Food Bank and Subsidiary'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 Central California Food Bank and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fresno, California  
December 3, 2021

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

To the Board of Directors  
Central California Food Bank and Subsidiary

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

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

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, Central California Food Bank and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

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

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

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

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



Fresno, California  
December 3, 2021

**Central California Food Bank and Subsidiary**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

**Section 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 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 major federal programs:

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 with section 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 Number</i>	<i>Name of Federal Program/Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Each Major Federal Program</i>
14.218	Community Development Block Grant (CDBG-CV)	Unmodified
97.024	COVID-19 - Emergency Food and Shelter National Board Program	Unmodified
21.019	COVID-19 - Coronavirus Relief Fund (CRF)	Unmodified

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

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

**Section II – Financial Statement Findings**

None reported.

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

None reported.



## Summary Schedule of Prior Audit Findings June 30, 2021

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### **Finding 2020-001 – Internal controls over inventory (significant deficiency in internal control)**

*Criteria* – Inventory on-hand as of year-end is counted, reconciled, and adjusted to their actual amounts. The Organization also reconciles United States Department of Agriculture (USDA) and Trade Mitigation (TM) commodity inventory monthly to ensure prices and quantities are accurate and up to date.

*Condition* – Internal controls were not followed to ensure all inventory reporting procedures were performed, resulting in several audit adjustments.

*Status* – Internal controls operated effectively, resulting in accurate reporting. Finding is considered cleared.

### **Finding 2020-002 – Internal controls over financial closing and reporting (significant deficiency in internal control)**

*Criteria* – An internal control policy is implemented over the relevant financial reporting cycles to ensure accurate and complete financial closing and reporting when key members of management change.

*Condition* – Internal controls were not followed to ensure all year-end financial reporting and closing procedures were performed, resulting in several audit adjustments.

*Status* – Management has implemented an internal control policy over relevant financial reporting cycles. Finding is considered cleared.

## **Other Information**

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**Central California Food Bank and Subsidiary**  
**Consolidating Statement of Financial Position**  
**June 30, 2021**

	Central California Food Bank	CCFB Real Estate, Inc.	Eliminations	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 30,549,326	\$ 4,706	\$ -	\$ 30,554,032
Investments in mutual funds	239,720	-	-	239,720
Accounts receivable	89,828	-	-	89,828
Grants receivable	1,398,468	-	-	1,398,468
Pledges receivable	53,500	-	-	53,500
Inventory	6,245,594	-	-	6,245,594
Prepaid expenses	69,846	-	-	69,846
Restricted cash	-	234,678	-	234,678
Total current assets	38,646,282	239,384	-	38,885,666
PROPERTY AND EQUIPMENT, net	1,484,920	7,770,753	-	9,255,673
<b>OTHER ASSETS</b>				
Investment in subsidiary	863,196	-	(863,196)	-
Loan receivable	5,951,440	-	-	5,951,440
Total other assets	6,814,636	-	(863,196)	5,951,440
Total assets	\$ 46,945,838	\$ 8,010,137	\$ (863,196)	\$ 54,092,779
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 127,667	\$ -	\$ -	\$ 127,667
Accrued payroll and related expenses	303,147	-	-	303,147
Current portion of notes payable	3,012	-	-	3,012
Total current liabilities	433,826	-	-	433,826
NOTES PAYABLE, net of current portion	-	8,536,000	-	8,536,000
Total liabilities	433,826	8,536,000	-	8,969,826
<b>NET ASSETS</b>				
Without donor restriction	44,945,629	(525,863)	(863,196)	43,556,570
With donor restriction	1,566,383	-	-	1,566,383
Total net assets	46,512,012	(525,863)	(863,196)	45,122,953
Total liabilities and net assets	\$ 46,945,838	\$ 8,010,137	\$ (863,196)	\$ 54,092,779



**Central California Food Bank and Subsidiary**  
**Consolidating Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2021**

	Central California Food Bank		CCFB Real Estate, Inc.		
	Without Donor Restriction	With Donor Restriction	Without Donor Restriction	Eliminations	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>					
Contributions - commodities	\$ 59,680,610	\$ -	\$ -	\$ -	\$ 59,680,610
Grants - commodities	14,642,861	-	-	-	14,642,861
Grants - operations and administrative	7,055,249	-	-	-	7,055,249
Contributions - other	30,165,470	2,814,267	-	-	32,979,737
Fundraising and direct mail campaigns	1,176,926	-	-	-	1,176,926
Agency fees and charges	1,806,761	-	-	-	1,806,761
Paycheck Protection Program loan forgiveness	510,700	-	-	-	510,700
Gain on sale of assets	11,256	-	-	-	11,256
Interest and dividend income, net	80,352	-	75	-	80,427
Unrealized loss on investments	(314)	-	-	-	(314)
Rental income	-	-	85,000	(85,000)	-
<b>Total revenues, gains, and other support</b>	<b>115,129,871</b>	<b>2,814,267</b>	<b>85,075</b>	<b>(85,000)</b>	<b>117,944,213</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>					
Restrictions satisfied by payment of related expenses	2,859,545	(2,859,545)	-	-	-
<b>Total revenues, gains, and other support after net assets released from restrictions</b>	<b>117,989,416</b>	<b>(45,278)</b>	<b>85,075</b>	<b>(85,000)</b>	<b>117,944,213</b>
<b>EXPENSES</b>					
Program services	87,551,846	-	457,989	(61,109)	87,948,726
Supporting services:					
Management and general	845,912	-	70,280	(13,313)	902,879
Fundraising	648,464	-	6,821	(10,578)	644,707
<b>Total expenses</b>	<b>89,046,222</b>	<b>-</b>	<b>535,090</b>	<b>(85,000)</b>	<b>89,496,312</b>
<b>Changes in net assets</b>	<b>28,943,194</b>	<b>(45,278)</b>	<b>(450,015)</b>	<b>-</b>	<b>28,447,901</b>
<b>NET ASSETS, beginning of year</b>	<b>16,002,435</b>	<b>1,611,661</b>	<b>(239,144)</b>	<b>(699,900)</b>	<b>16,675,052</b>
Capital contribution, CCFB Real Estate, Inc.	-	-	163,296	(163,296)	-
<b>NET ASSETS, end of year</b>	<b>\$ 44,945,629</b>	<b>\$ 1,566,383</b>	<b>\$ (525,863)</b>	<b>\$ (863,196)</b>	<b>\$ 45,122,953</b>

**Central California Food Bank and Subsidiary**  
**Consolidating Statement of Cash Flows**  
**Year Ended June 30, 2021**

	Central California Food Bank	CCFB Real Estate, Inc.	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Changes in net assets	\$ 28,897,916	\$ (450,015)	\$ -	\$ 28,447,901
Adjustments to reconcile changes in net assets to net cash from operating activities:				
Depreciation	251,782	410,336	-	662,118
Gain on disposal of assets	(11,256)	-	-	(11,256)
Bad debt expense	(2,511)	-	-	(2,511)
Debt issuance interest expense	43,686	-	-	43,686
Contributed commodities	(59,680,610)	-	-	(59,680,610)
Distribution of contributed commodities	61,157,676	-	-	61,157,676
Contributed commodities - grants	(14,642,861)	-	-	(14,642,861)
Distribution of contributed commodities - grants	14,062,969	-	-	14,062,969
Paycheck Protection Program loan forgiveness	(510,700)	-	-	(510,700)
Dividend income, reinvested	(4,476)	-	-	(4,476)
Unrealized loss on investments	314	-	-	314
Changes in operating assets and liabilities:				
Accounts receivables	117,837	-	-	117,837
Grants receivable	(674,821)	-	-	(674,821)
Pledges receivables	50,000	-	-	50,000
Inventory	(1,655,088)	-	-	(1,655,088)
Prepaid expenses	(10,996)	-	-	(10,996)
Investment in subsidiary	(163,296)	-	163,296	-
Accounts payable	(52,567)	-	-	(52,567)
Accrued expenses	30,372	-	-	30,372
Deferred revenue	(24,342)	-	-	(24,342)
Net cash from operating activities	27,179,028	(39,679)	163,296	27,302,645
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	(943,477)	(171,675)	-	(1,115,152)
Proceed from sales of property and equipment	41,012	-	-	41,012
Net cash from investing activities	(902,465)	(171,675)	-	(1,074,140)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payments on notes payable	(1,062,488)	-	-	(1,062,488)
Capital contribution in CCFB Real Estate, Inc.	-	163,296	(163,296)	-
Net cash from financing activities	(1,062,488)	163,296	(163,296)	(1,062,488)
Net change in cash, cash equivalents, and restricted cash	25,214,075	(48,058)	-	25,166,017
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year</b>	<b>5,335,251</b>	<b>287,442</b>	<b>-</b>	<b>5,622,693</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year</b>	<b>\$ 30,549,326</b>	<b>\$ 239,384</b>	<b>\$ -</b>	<b>\$ 30,788,710</b>
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH TO STATEMENT OF FINANCIAL POSITION</b>				
Cash and cash equivalents	\$ 30,549,326	\$ 4,706	\$ -	\$ 30,554,032
Restricted cash	-	234,678	-	234,678
Total cash, cash equivalents, and restricted cash	\$ 30,549,326	\$ 239,384	\$ -	\$ 30,788,710
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>				
Cash paid during the year for interest	\$ 38,912	\$ 104,054	\$ -	\$ 142,966

