

# **North Texas Food Bank**

## **Independent Auditor's Report and Consolidated Financial Statements**

June 30, 2020

**North Texas Food Bank**  
**June 30, 2020**

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## Independent Auditor's Report

Board of Directors  
North Texas Food Bank  
Dallas, Texas

We have audited the accompanying consolidated financial statements of the North Texas Food Bank (Organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statement of activities, 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. 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 Organization'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 Organization'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 the Organization as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matters***

As described in *Note 1* to the consolidated financial statements, in 2020, the Organization adopted Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, Accounting Standards Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*, and Accounting Standards Update 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, and has elected to change its method of consolidated statement of cash flows presentation. Our opinion is not modified with respect to these matters.

***Other Matters***

***Supplementary Information***

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedule listed in the table of contents is presented for purposes of additional analysis and is 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 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.

**BKD, LLP**

Dallas, Texas  
November 30, 2020

**North Texas Food Bank**  
**Consolidated Statement of Financial Position**  
**June 30, 2020**

**Assets**

**Current Assets**

Cash and cash equivalents	\$	4,794,566
Cash restricted by New Markets Tax Credit Program notes payable (See Note 9)		170,000
Pledges receivable (net of allowance) (See Note 4)		1,078,000
Other receivables (See Note 1)		1,548,568
Investments (See Note 3)		49,593,790
Inventory of food and commodities (See Note 1)		17,583,608
Prepaid expenses and other assets		<u>352,861</u>
Total current assets		<u>75,121,393</u>

**Noncurrent Assets**

Cash restricted by New Markets Tax Credit Program notes payable (See Note 9)		551,776
Pledges receivable (net of allowance) (See Note 4)		216,000
Pledges receivable – capital campaign (net of allowance and unamortized discount) (See Note 4)		3,607,383
Investments - capital campaign (See Note 3)		15,327,990
New Markets Tax Credit Program note receivable (See Note 5)		16,838,300
Property and equipment, net (See Note 6)		<u>31,790,991</u>
Total noncurrent assets		<u>68,332,440</u>

Total assets	\$	<u><u>143,453,833</u></u>
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**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable and accrued expenses	\$	7,019,431
Refundable advance		<u>2,021,700</u>
Total current liabilities		<u>9,041,131</u>

**Noncurrent Liabilities**

New Markets Tax Credit Program notes payable (See Note 9)		<u>22,728,925</u>
Total noncurrent liabilities		<u>22,728,925</u>

Total liabilities		<u>31,770,056</u>
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**Net Assets (See Note 10)**

Without donor restrictions		80,607,602
With donor restrictions		<u>31,076,175</u>
Total net assets		<u>111,683,777</u>

Total liabilities and net assets	\$	<u><u>143,453,833</u></u>
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**North Texas Food Bank**  
**Consolidated Statement of Activities**  
**Year Ended June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>			
Public Support			
Public contributions	\$ 34,968,869	\$ 13,717,331	\$ 48,686,200
Public support - in-kind	624,959	256,265	881,224
Capital campaign	-	239,573	239,573
Capital campaign - in-kind	-	100,000	100,000
Donated food and commodities (See Note 1)	-	130,252,729	130,252,729
Total public support	<u>35,593,828</u>	<u>144,565,898</u>	<u>180,159,726</u>
Government grants and cost reimbursements (See Note 2)	<u>19,406,257</u>	<u>-</u>	<u>19,406,257</u>
Revenue			
Handling fee (See Note 1 and Note 18)	1,274,795	-	1,274,795
Investment return (See Note 3)	972,823	-	972,823
Other revenue	<u>4,078</u>	<u>-</u>	<u>4,078</u>
Total revenue	<u>2,251,696</u>	<u>-</u>	<u>2,251,696</u>
Total public support and revenue before net assets released from restrictions	57,251,781	144,565,898	201,817,679
Net assets released from restrictions (See Note 10)	<u>146,005,635</u>	<u>(146,005,635)</u>	<u>-</u>
Total support and revenue	<u>203,257,416</u>	<u>(1,439,737)</u>	<u>201,817,679</u>
<b>Expenses and Losses</b>			
Program	163,344,475	-	163,344,475
Management and general	2,402,743	-	2,402,743
Fundraising	5,946,049	-	5,946,049
Loss on disposal of fixed assets	<u>460</u>	<u>-</u>	<u>460</u>
Total expenses and losses	<u>171,693,727</u>	<u>-</u>	<u>171,693,727</u>
<b>Change in Net Assets</b>	31,563,689	(1,439,737)	30,123,952
<b>Net Assets, Beginning of Year</b>	<u>49,043,913</u>	<u>32,515,912</u>	<u>81,559,825</u>
<b>Net Assets, End of Year</b>	<u>\$ 80,607,602</u>	<u>\$ 31,076,175</u>	<u>\$ 111,683,777</u>

**North Texas Food Bank**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2020**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and temporary personnel	\$ 6,513,774	\$ 1,430,440	\$ 2,342,947	\$ 10,287,161
Employee benefits and insurance	1,794,842	278,483	504,196	2,577,521
Payroll taxes	437,089	93,329	165,830	696,248
Total salaries and related expenses	<u>8,745,705</u>	<u>1,802,252</u>	<u>3,012,973</u>	<u>13,560,930</u>
Professional fees	222,208	331,150	271,295	824,653
Supplies	852,702	5,636	10,305	868,643
Postage	14,023	584	31,649	46,256
Occupancy	1,237,143	3,082	4,790	1,245,015
Communications	190,669	18,668	35,765	245,102
Equipment maintenance	104,417	134,850	27,536	266,803
Insurance	63,458	4,411	4,011	71,880
Donated food distributed	136,328,362	-	-	136,328,362
Purchased food distributed	11,162,826	-	-	11,162,826
Local transportation	1,391,693	931	829	1,393,453
Conference, conventions and meetings	2,611	2,905	2,510	8,026
Promo, printing and publications	91,505	907	2,408,405	2,500,817
Grants to agencies	443,920	-	-	443,920
Miscellaneous expense	502,662	35,486	43,159	581,307
Total expenses other than salaries and related expenses	<u>152,608,199</u>	<u>538,610</u>	<u>2,840,254</u>	<u>155,987,063</u>
Total expenses before depreciation	161,353,904	2,340,862	5,853,227	169,547,993
Depreciation and amortization	<u>1,990,571</u>	<u>61,881</u>	<u>92,822</u>	<u>2,145,274</u>
Total expenses before loss on disposal of fixed assets	<u>\$ 163,344,475</u>	<u>\$ 2,402,743</u>	<u>\$ 5,946,049</u>	<u>\$ 171,693,267</u>
Loss on disposal of fixed assets				<u>460</u>
Total expenses and losses				<u>\$ 171,693,727</u>

**North Texas Food Bank**  
**Consolidated Statement of Cash Flows**  
**Year Ended June 30, 2020**

<b>Cash Flows from Operating Activities</b>	
Cash received from contributors, grants and cost reimbursements	\$ 68,302,297
Cash received from partner agencies for handling fees	1,396,191
Refundable advance	2,021,700
Other cash receipts	4,339
Interest and dividends	894,858
Interest paid	(386,410)
Cash paid to employees and suppliers	<u>(36,615,716)</u>
Net cash provided by operating activities	<u>35,617,259</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of property and equipment	(1,064,871)
Proceeds from sale of property and equipment	3,678
Proceeds from sale of investments	17,752,008
Purchase of investments	<u>(53,450,127)</u>
Net cash used in investing activities	<u>(36,759,312)</u>
<b>Cash Flows from Financing Activities</b>	
Cash received from capital campaign	<u>4,620,985</u>
Net cash provided by financing activities	<u>4,620,985</u>
<b>Increase in Cash and Cash Equivalents</b>	3,478,932
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,037,410</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 5,516,342</u></u>
<b>Reconciliation of Cash and Cash Equivalents to the Consolidated Statement of Financial Position</b>	
Cash and cash equivalents, current assets	\$ 4,794,566
Cash restricted by New Markets Tax Credit Program, current assets	170,000
Cash restricted by New Markets Tax Credit Program, noncurrent assets	<u>551,776</u>
Total cash and cash equivalents	<u><u>\$ 5,516,342</u></u>

# North Texas Food Bank

## Notes to Consolidated Financial Statements

### June 30, 2020

#### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

##### ***Nature of Operations and Principles of Consolidation***

North Texas Food Bank (Organization) is a hunger relief organization that distributes donated, purchased and prepared foods through a network of more than 200 partner agencies in 13 counties. The Organization supports the nutritional needs of children, families and seniors through education, advocacy and strategic partnerships. The Organization's revenues and other support are derived principally from contributions and federal and state grants and its activities are conducted principally in the North Texas area.

The financial statements are prepared on a consolidated basis and include NTFB – Perot Family Campus (NTFB-PFC) and Feeding North Texas Foundation (FNTF).

NTFB-PFC was organized in June 2017 as a Texas nonprofit corporation to facilitate the New Markets Tax Credit Program and build a distribution facility for use by the Organization. FNTF serves to raise funds and hold an endowment for the support and benefit of and to carry out the purposes of the Organization. The consolidating statements of financial position and activities of all three entities are presented as additional information in the supplemental consolidating schedule. All significant interorganization balances and transactions have been eliminated in consolidation.

##### ***Strategic Plan***

The Organization's board of directors and management continued a 10-year strategic plan with an associated three-year capital campaign that began in January 2015. The \$55 million strategic plan covers three key areas: (1) Community Engagement, (2) Network Expansion and (3) Client Visibility.

As of June 30, 2020, a total of \$51 million had been received as either cash or pledge towards the strategic plan. The balance of the capital campaign funds (\$4.4 million) was provided through the benefits of the New Markets Tax Credit Program.

- Community Engagement actions during the year ended June 30, 2020, included additional equipment for the Northern Distribution Center (known as the Perot Family Campus). The Organization's Dallas Farmers Market location was sold October 2020. The Organization intends to lease space in the new building to be constructed on the site. Preliminary prediction of the move-back date is September of 2022.
- Network Expansion actions during the year ended June 30, 2020, included grants to various agencies for capital purchases and operating expenses including Catholic Charities, Seven Loaves, and Sharing Life Services Hub.
- Client Visibility actions during the year ended June 30, 2020, included the continued relationship with the Parkland Center for Clinical Innovation (PCCI) to work collaboratively with community partners to reduce emergency department visits for those with unmet needs. As part of this work, PCCI identified Pieces Technology to develop a technology platform, Pieces IRIS, to refer patients to community partners including to

# North Texas Food Bank

## Notes to Consolidated Financial Statements

### June 30, 2020

NTFB partners to access nutritious food and other needed services. In 2016, the NTFB invested in this technology on behalf of partner agencies to reduce the cost barrier for adoption. However, as adoption by NTFB partner agencies and other community partners has been disappointingly slow, NTFB management is evaluating various options for the technology platform.

- During the year ended June 30, 2020, the Organization attained the 92 million meal goal set by the strategic plan and targeted for 2025.

#### ***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, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. The Organization does not consider uninvested cash equivalents held in investment accounts as cash equivalents. At June 30, 2020, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

At June 30, 2020, the Organization's and NTFB-PFC's cash accounts exceeded federally insured limits by approximately \$5,000,000.

#### ***Restricted Cash***

Restricted cash represents cash restricted by the New Markets Tax Credit Program related to the notes payable (See *Note 9*). Amounts required to meet current liabilities of the Organization have been reclassified to current assets in the accompanying consolidated statement of financial position at June 30, 2020.

#### ***Investments and Net Investment Return***

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value, less external and direct internal investment expenses.

Investment return is reflected in the consolidated statement of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020**

***Handling Fees Receivable***

The Organization charges recipient partner agencies a fee on a per pound basis on selected categories of products to partially offset the handling and redistribution costs incurred by the Organization. Fees during FY20 ranged from \$.00 to \$.28 per pound depending on the type of product.

The Organization offers a co-op program for eggs, ground beef, ground turkey, and ground chicken. Partner agencies are able to purchase these items at the Organization's costs. Average cost per pound varies by item. In FY20, items purchased included eggs at \$0.37 and ground beef at \$1.12.

Partner agencies take the donated food and other grocery products, and redistribute them at no cost, to the needy and hungry.

The Organization also distributed donated food and other products at \$.00 to \$.07 per pound or at cost (purchased product) depending on what type of product, to affiliate food bank organizations. These food banks redistribute the products to client organizations which serve the needy in their communities.

Handling fees receivable are recorded based on the amount of consideration from partner agencies of which the Organization has the unconditional right to receive. The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Handling fees receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 90 days are considered delinquent. Delinquent receivables are pursued based on individual credit evaluation and specific circumstances of the customer.

Handling fees to partner agencies were waived for all products from March 16, 2020 to June 30, 2020. At June 30, 2020, handling fees receivable is included in other receivables within the accompanying consolidated statement of financial position.

***Other Receivables***

Other receivables consist primarily of amounts due from government agencies and represent amounts due to the Organization in accordance with cost-reimbursement contracts. These receivables are considered fully collectible and therefore, the Organization does not consider an allowance necessary at June 30, 2020.

***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation and amortization. The Organization capitalizes items in excess of \$2,500 which have a useful life greater than one year. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020**

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Building	39 years
Leasehold improvements	5 – 15 years
Machinery and equipment	5 – 10 years
Software	5 years
Furniture and fixtures	3 – 10 years

***Long-lived Asset Impairment***

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the year ended June 30, 2020.

***Debt Issuance Costs***

Debt issuance costs represent costs incurred in connection with the issuance of the New Markets Tax Credit Program Notes Payable (See *Note 9*). Such costs are being amortized over the life of the notes payable using the effective interest method.

***Refundable Advance***

The Organization received a Paycheck Protection Program (PPP) loan established by the CARES Act in the amount of \$2,021,700 and has elected to account for the funding as a conditional contribution by applying ASC Topic 958-605, *Revenue Recognition*. Revenue will be recognized when conditions are met, which include meeting FTE and salary requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to the recognition of revenue.

***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020**

**Contributions**

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020**

***Contributed Services***

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. For the year ended June 30, 2020, revenue recognized from contributed legal services, consulting, pest control, and advertising was \$423,420.

***In-kind Contributions***

- **Food and Commodities** – In addition to receiving cash contributions, the Organization receives in-kind contributions of food and other products from various donors. In-kind donations of products, the related inventory and the cost of donated food distributed are valued at an average of the national wholesale prices as determined by Feeding America. The Organization received approximately 83 million pounds valued at \$130,252,729 during the year ended June 30, 2020. The average price per pound used was \$1.49 at June 30, 2020.
- **Volunteer Time** – A substantial number of volunteers donate significant amounts of their time to enable the Organization to meet its mission. For the year ended June 30, 2020, volunteers donated approximately 67,000 hours of their services. Management estimates the value of volunteer services to be approximately \$1,698,000, none of which was recognized as revenues or expenses during FY20. This estimate is based on the fair market value for such services.

The Organization received additional volunteer services from the National Guard (funded through the Texas Department of Emergency Management) and Shiftsmart (funded by donors through an account at the Communities Foundation of Texas).

- **Stock** – During the year ended June 30, 2020, the Organization received \$334,153 in donated stock. The Organization's investment policy dictates that the stock is liquidated upon receipt. Proceeds from the sale of the stock are used for operations, unless restricted by the donor. Of the stock received, \$26,406 was restricted to the capital campaign as pledge payments.
- **Warehouse Space** – During the year ended June 30, 2020, the Organization received the use of various warehouse locations to meet additional storage needs. Management estimates the value of donated space to be approximately \$122,000 based on fair market value per square foot.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020**

***Inventory Pricing***

Inventories consist of donated and purchased products for distribution. Donated products are valued per pound at an average of the national wholesale prices as determined by Feeding America. Purchased products are valued at the purchase cost of those products as determined by the first-in, first-out method.

***Government Grants***

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position.

***Income Taxes***

The Organization, NTFB-PFC and FNTF are exempt from income taxes under Section 501 of the Internal Revenue Code (IRC) and a similar provision of state law. However, the Organization, NTFB-PFC and FNTF are subject to federal income tax on any unrelated business taxable income as defined by the IRC. The Organization, NTFB-PFC and FNTF file tax returns in the U.S. federal jurisdiction.

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function for the year ended June 30, 2020. Certain costs have been allocated among the program, management and general and fundraising categories based on relative payroll, headcount or square footage occupied and other methods.

***Change in Accounting Principles***

On July 1, 2019, the Organization adopted the Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, (ASU 2014-09) using a modified retrospective method of adoption to all contracts with customers at July 1, 2019.

The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the Organization expects to be entitled in exchange for those goods or services.

The amount to which the Organization expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020**

Adoption of ASU 2014-09 resulted in no changes in presentation of the consolidated financial statements but added new disclosures in the notes to the consolidated financial statements.

On July 1, 2019, the Organization adopted the Financial Accounting Standards Board Accounting Standards Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, (ASU 2018-08) using a modified prospective basis at July 1, 2019. The amendments of the standard were applied to the portion of agreements that were not completed as of July 1, 2019 or entered into after July 1, 2019.

ASU 2018-08 clarifies the guidance on determining whether a transaction with a resource provided is a contribution or an exchange transaction. Upon adoption of the standard, the Organization determined that grant support received through periodic claims filed with the respective funding sources is conditional upon incurring qualifying expenses and includes a right of return or release, and therefore should not be recorded until this barrier is overcome.

Adoption of ASU 2018-08 had no impact on previously reported net assets.

In 2020, the Organization adopted Accounting Standards Update No. 2016-18 (ASU 2016-18), *Statement of Cash Flows (Topic 230): Restricted Cash*. The new accounting guidance in ASU 2016-18 requires balances generally described as restricted cash or restricted cash equivalents to be included with cash and cash equivalents when reconciling beginning and end of the period balances on the consolidated statement of cash flows.

Adoption of ASU 2016-18 had no impact on beginning of year cash, cash equivalents, and restricted cash.

In 2020, the Organization elected to change its method of presentation of the consolidated statement of cash flows to present operating cash flows using the direct method. The Organization determined this presentation was preferable as it provides more disclosure of the Organization's operating cash flows.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020**

**Note 2: Grant Commitments**

The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the consolidated financial statements of the Organization are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2020, have been recorded as receivables. Following are grant commitments as of June 30, 2020, and the amount remaining to be drawn by year-end:

Grant	Term	Grant Amount	Earned As of June 30, 2020	Funding Available
<b>Federal Grants:</b>				
Federal Department of Emergency Management (TDEM)	5/8/20 - 6/7/20	\$ 10,020,000	\$ 10,020,000	\$ -
Coronavirus Relief Funds	5/8/20 - 6/7/20	3,340,000	3,340,000	-
Emergency Food Assistance Program	10/1/19 - 9/30/20	1,621,717	682,021	939,696
Emergency Food Assistance Program - CARES	10/1/19 - 9/30/20	2,034,036	952,489	1,081,547
Emergency Food Assistance Program - FFCRA	10/1/19 - 9/30/20	1,361,004	-	1,361,004
Trade Mitigation Program Eligible Recipient Agency Operational Funds	10/1/19 - 9/30/20	1,293,236	1,293,236	-
Commodity Supplemental Food Program	10/1/19 - 9/30/20	637,995	544,113	93,882
Supplemental Nutrition Assistance Program	10/1/19 - 9/30/20	1,087,437	751,535	335,902
Supplemental Nutrition Assistance Program Education	10/1/19 - 9/30/20	196,182	124,677	71,505
Summer Food Service Program	10/1/19 - 9/30/20	136,240	136,240	-
Emergency Food & Shelter National Board Program	10/1/19 - 9/30/20	110,000	110,000	-
Total Federal Grants		<u>21,837,847</u>	<u>17,954,311</u>	<u>3,883,536</u>
<b>State Grants:</b>				
TDA – Texas Feeding Texas Grant	10/1/19 - 9/30/20	663,900	282,044	381,856
Total State Grants		<u>663,900</u>	<u>282,044</u>	<u>381,856</u>
Total Grant Commitments		<u>\$ 22,501,747</u>	<u>\$ 18,236,355</u>	<u>\$ 4,265,392</u>

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020**

**Note 3: Investments and Net Investment Return**

Investments at June 30, 2020, consisted of the following:

Common stocks	\$ 10,475,935
Money market funds	19,590,027
Fixed income	<u>34,855,818</u>
	<u>\$ 64,921,780</u>

Total net investment return is comprised of the following:

Interest and dividend income	\$ 894,858
Net realized and unrealized gains on investments reported at fair value	164,995
Management fees	<u>(87,030)</u>
	<u>\$ 972,823</u>

**Note 4: Pledges Receivable**

Pledges receivable for the year ended June 30, 2020, consisted of the following:

	<b>With Donor Restrictions: Time</b>	<b>With Donor Restrictions: Purpose</b>	<b>Total</b>
Due within one year	\$ 960,000	\$ 140,000	\$ 1,100,000
Less allowance for doubtful accounts	<u>(19,200)</u>	<u>(2,800)</u>	<u>(22,000)</u>
	940,800	137,200	1,078,000
Due in one to five years	175,000	50,000	225,000
Less allowance for doubtful accounts	<u>(7,000)</u>	<u>(2,000)</u>	<u>(9,000)</u>
	<u>168,000</u>	<u>48,000</u>	<u>216,000</u>
	<u>\$ 1,108,800</u>	<u>\$ 185,200</u>	<u>\$ 1,294,000</u>

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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Pledges receivable related to the capital campaign for the year ended June 30, 2020, consisted of the following:

	<b>With Donor Restrictions: Purpose</b>	<b>Total</b>
Due within one year	\$ 3,099,161	\$ 3,099,161
Less		
Allowance for doubtful accounts	(61,983)	(61,983)
Unamortized discount	<u>(13,764)</u>	<u>(13,764)</u>
	3,023,414	3,023,414
Due in one to five years	615,000	615,000
Less		
Allowance for doubtful accounts	(28,300)	(28,300)
Unamortized discount	<u>(2,731)</u>	<u>(2,731)</u>
	<u>583,969</u>	<u>583,969</u>
	 <u>\$ 3,607,383</u>	 <u>\$ 3,607,383</u>

**Note 5: New Markets Tax Credit Program Note Receivable**

In conjunction with the New Markets Tax Credit Program transaction, the Organization entered into an agreement on September 6, 2017, to lend \$16,838,300 to USBCDC Investment Fund 205, LLC (Investment Fund). The note is secured by the Investment Fund's membership interest in Pacesetter CDE XXXVII, LLC (Pacesetter CDE), TMF Sub-CDE XXVI, LLC (TMF 1 CDE) and TMF Sub-CDE XXVII, LLC (TMF 2 CDE) (collectively the CDEs) and other cash accounts held by a secured party. The interest rate on the note consists of a fixed rate of 1.43%.

Interest is payable quarterly beginning September 2017 until September 2047. All principal and unpaid interest is due and payable in September 2047.

Interest earned on notes receivable in 2020 was approximately \$241,000, which is included in investment return in the accompanying consolidated statement of activities.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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**Note 6: Property and Equipment**

Property and equipment at June 30, 2020, consisted of:

Warehouse equipment	\$ 1,503,502
Building and improvements	28,534,338
Office furniture and fixtures	2,185,932
Transportation equipment	1,841,861
Computer equipment and software	<u>3,041,832</u>
Total depreciable assets	37,107,465
Land	5,026,705
Art work	56,231
Construction in progress	<u>430,407</u>
	42,620,808
Less accumulated depreciation and amortization	<u>(10,829,817)</u>
	<u><u>\$ 31,790,991</u></u>

**Note 7: Note Payable to Bank**

The Organization has a \$2,500,000 line of credit arrangement with Frost Bank, which expires on June 1, 2021. Terms of the loan agreement require \$2,500,000 of unencumbered liquidity. The interest rate on the line of credit was 3-month LIBOR + 1%. The Organization's intent is to use the line of credit to finance operations each year during low income months. At June 30, 2020, there were no borrowings against the line of credit.

**Note 8: Bridge Loan with Frost Bank**

On September 7, 2017, the Organization entered into a \$16,000,000 loan agreement with Frost Bank to facilitate the New Markets Tax Credit Program. The interest rate on the loan is 3-month LIBOR plus 1%. Other costs associated with this facility are a \$16,000 origination fee and approximately \$19,000 in legal fees, paid to Frost's legal counsel. The loan is collateralized by the capital campaign pledge receivables. The initial amount drawn on the loan was approximately \$9,400,000. The drawn portion of the loan was repaid as cash became available from capital campaign pledge payments received during FY18 and was fully repaid by January 16, 2018. Until September 6, 2019, the undrawn portion of the loan (\$6,600,000) was eligible for borrowing to the extent collateral was available. No borrowing was done by the Organization during the year ended June 30, 2020.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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**Note 9: New Markets Tax Credit Program Notes Payable**

NTFB-PFC executed loan agreements on September 6, 2017, that provides for borrowings of \$9,000,000, \$7,425,000 and \$7,425,000 from Pacesetter CDE, TMF 1 CDE and TMF 2 CDE, respectively. The loans were to finance the build of the Perot Family Campus facility and are intended to be treated as a “qualified low-income community investment” for purposes of generating new market tax credits under Section 45D of the Internal Revenue Code of 1986, as amended. The loans are secured by a property deed of trust, security agreement, and a guaranty by the Organization.

Pursuant to the issuance of the New Markets Tax Credit Program Financing Commitment, NTFB-PFC is required to maintain certain funds at US Bank. At June 30, 2020, \$721,776 is held at U.S. Bank for this purpose, of which \$170,000 is included in current assets for interest and fees payable due within one year and \$551,776 is included in noncurrent assets within the accompanying consolidated statement of financial position.

Each loan accrues interest at 1.5967%, payable quarterly beginning in September 2017 until September 30, 2047.

Total New Markets Tax Credit Program notes payable	\$ 23,850,000
Less: Unamortized debt issuance costs	<u>(1,121,075)</u>
New Markets Tax Credit Program notes payable, net	<u><u>\$ 22,728,925</u></u>

The balances outstanding on the New Markets Tax Credit Program notes payable, maturity dates and repayment terms at June 30, 2020, are as follows:

Note payable to Pacesetter CDE Loan, matures on September 30, 2047, with principal payments commencing in September 2024.	\$ 9,000,000
Note payable to TMF CDE Loan 1, matures on September 30, 2047, with principal payments commencing in September 2024.	7,425,000
Note payable to TMF CDE Loan 2, matures on September 30, 2047, with principal payments commencing in September 2024.	<u>7,425,000</u>
Total New Markets Tax Credit Program notes payable	<u><u>\$ 23,850,000</u></u>

At any time after the seventh anniversary and before the eighth anniversary of the note receivable, U.S. Bancorp Community Development Corporation can exercise its “put option” to sell its interest in the USBCDC Investment Fund 205, LLC to the Organization for \$1,000. After exercising its option to purchase the interest in the USBCDC Investment Fund 205, LLC, The Food Bank may cancel the New Markets Tax Credit Program notes payable.

Interest recognized as expense totaled approximately \$381,000 in 2020.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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**Note 10: Net Assets**

***Net Assets With Donor Restrictions***

Net assets with donor restrictions at June 30, 2020 are restricted for the following purposes or periods:

Subject to expenditure for specified purpose	
Capital Campaign	\$ 15,392,244
Inventory	7,974,902
Disaster Relief	5,413,263
Technology Upgrades	500,000
Warehouse Management System	248,575
Feeding Kids	155,941
Capital Assets	97,648
Service Insights	78,516
Rural Transportation	31,803
Nudge	17,112
U.S. Census	16,166
School Pantry Program	10,389
Plano Up	4,616
	<u>29,941,175</u>
Subject to the passage of time	
Promises to give that are not restricted by donors but which are unavailable for expenditure until due	1,135,000
	<u>1,135,000</u>
	<u><u>\$ 31,076,175</u></u>

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020**

***Net Assets Released from Restrictions***

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors, during the year ended June 30, 2020, as follows:

Expiration of time restrictions	\$ 810,000
Satisfaction of purpose restrictions	
Inventory	136,328,362
Disaster Relief	3,843,446
Capital Campaign	1,287,264
Feeding Children	1,104,162
Food-4-Kids	880,038
Feeding America - Bezos *	635,070
Mobile Pantry Truck	467,725
School Pantry Program	228,424
Feeding Families	155,678
Capital Assets	76,525
Feeding Dallas County	50,000
Plano Up	31,698
Rural Transportation	18,197
Walmart Leadership	17,564
Feeding Seniors	14,750
Tornado Relief	13,419
Feeding Collin County	11,500
U.S. Census	10,709
SNAP	5,000
Walmart SNAP	4,406
Service Insights	3,358
Mayor's Intern	2,610
Nudge	2,501
White Fluid Milk	1,465
Produce for Brighter Bites	1,356
Warehouse Management System	308
Food-4-Paws	100
	<u>\$ 146,005,635</u>

\*The Organization received \$635,070 through Feeding America from Jeff Bezos for COVID-19 response. Of that amount, the Organization donated \$403,000 in cash directly to partner agencies to help with their COVID-19 efforts.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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**Note 11: Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020, comprise the following:

Cash and cash equivalents	\$ 4,794,566
Pledges receivable	1,078,000
Other receivables	1,558,218
Investments (excluding 457(b) deferred compensation plan)	<u>49,547,694</u>
Total current financial assets	<u>56,978,478</u>
Less donor imposed restrictions not expected to be used in next year	<u>(15,792,505)</u>
Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 41,185,973</u>

Investments (excluding 457(b) deferred compensation plan) include approximately \$18,403,000 of liquid money market funds to provide readily available assets for strategic plan spending. See *Note 17* regarding additional discussion on the increase in investments during fiscal year 2020 as it relates to the current economic environment.

The Organization receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. As of June 30, 2020, \$7,308,770 of these financial assets available are expected to be used by these programs within one year.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term needs, including operating, capital campaign and strategic plan spending, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

**Note 12: Related Party Transactions**

The President and CEO of the Organization is also on the board of directors of Feeding Texas. During the year ended June 30, 2020, the Organization paid Feeding Texas dues totaling approximately \$49,000.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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**Note 13: Operating Leases**

Noncancelable operating leases for equipment and vehicles expire in various years through 2024. These leases generally contain renewal options for periods ranging from 5 – 10 years and require the Organization to pay all executory costs (property taxes, maintenance and insurance).

For the year ended June 30, 2020, rent expense for operating leases amounted to \$853,563.

Future minimum lease payments under operating leases are as follows for the year ended:

2021	\$ 544,756
2022	279,042
2023	177,727
2024	<u>162,633</u>
	<u>\$ 1,164,158</u>

**Note 14: Compensated Absences**

The Organization's employees are entitled to paid personal days off depending on job classification, length of service and other factors. At June 30, 2020, the accrued expenses for compensated absences included in accounts payable and accrued expenses in the accompanying consolidated statement of financial position was \$378,724.

**Note 15: Retirement Plans**

Beginning the first month following one year of employment during which the employee works a minimum of 1,000 hours, the Organization contributes 5% of eligible employee's salary or wages into a 403(b) individual retirement account. However, employees may begin making pre-tax contributions to the plan through payroll deduction at any time up to the maximum allowed under Internal Revenue Service regulations.

The expense for this plan was \$370,859 for the year ended June 30, 2020.

The Organization also has a 457(b) deferred compensation plan for the chief executive officer, chief operating officer and the chief external affairs officer. The Organization contributes a percentage of these executive's compensation annually and they may also make contributions. The assets and liabilities of the Plan are recorded at market value as investments and accrued expenses in the accompanying consolidated statement of financial position.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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**Note 16: Disclosures About Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- 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 markets that are not active; 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 supported by little or no market activity and are significant to the fair value of the assets or liabilities

***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks	\$ 10,475,935	\$ 10,475,935	\$ -	\$ -
Money market funds	19,590,027	19,590,027	-	-
Fixed income	34,855,818	-	34,855,818	-
	<u>\$ 64,921,780</u>	<u>\$ 30,065,962</u>	<u>\$ 34,855,818</u>	<u>\$ -</u>

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2020.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Organization has no Level 3 investments at June 30, 2020.

**Note 17: Significant Estimates, Concentrations, and Other Events**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Contributions***

A significant portion of support and revenues is received through grants from the United States Department of Agriculture (administered by the Texas Department of Agriculture), the Texas Department of Agriculture and the Texas Department of Health and Human Services. For the fiscal year ended June 30, 2020, revenue was also received from the Texas Division of Emergency Management. For the year ended June 30, 2020, approximately 38% of total support was received from these grants.

The Organization derives its remaining revenue mainly from public contributions and shared maintenance revenue. Continued funding from these sources at current levels is dependent on various factors. Such factors include economic conditions, compliance with grant provisions, government approval, new legislation, donor satisfaction and public perception of mission effectiveness and relative importance.

***Investments***

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated statement of financial position.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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***Current Economic Events***

During the last fiscal quarter of the year ended June 30, 2020, the Organization received approximately \$29 million in Public Support specifically or generally intended to fund the need as a consequence of the COVID-19 pandemic. Government & private programs (CARES Act, FFRCRA Act, Texas Division of Emergency Management, National Guard, ShiftSmart/Communities Foundation) supported the Organization's pandemic response during that quarter. This enabled the Organization to save those funds received to meet the future anticipated ongoing community need. This resulted in an increase in investments of approximately \$30 million. Approximately \$9 million of the \$29 million in public support was restricted by the donor to be used for response to COVID-19, and the balance of the public support was not specifically restricted by the donor.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Organization. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

**Note 18: Revenue from Contracts with Customers**

***Handling Fee Revenue***

Performance obligations are determined based on the nature of the goods or services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to customers and the Organization does not believe it is required to provide additional goods or services related to that sale. The exchange portion of handling fee revenue was \$1,274,795 for the year ended June 30, 2020.

***Transaction Price & Recognition***

The Organization determines the transaction price on a per pound basis on selected categories of products. Fees during FY20 ranged from \$.00 to \$.28 per pound depending on the type of product. There are no explicit or implicit price concessions and the contracts do not contain a significant financing component or variable consideration.

The Organization has not incurred material refunds in the past, and accordingly, has not provided for a refund liability at June 30, 2020.

For the year ended June 30, 2020, the Organization recognized no revenue from goods or services that transfer to the customer over time.

**North Texas Food Bank**  
**Notes to Consolidated Financial Statements**  
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**Note 19: Future Change in Accounting Principle**

***Accounting for Leases***

The FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating, or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021. The Organization is evaluating the impact the standard will have on the consolidated financial statements; however, the standard is expected to have a material impact on the consolidated financial statements due to the recognition of additional assets and liabilities for operating leases.

**Note 20: Subsequent Events**

Subsequent events have been evaluated through November 30, 2020, which is the date the consolidated financial statements were available to be issued.

***Dallas Farmers Market Location***

On October 9, 2020, the Organization sold the Dallas Farmers Market location for \$1,500,000, which resulted in a loss on sale of property for approximately \$55,000.

## **Supplementary Information**

# North Texas Food Bank

## Consolidating Schedule

### Year Ended June 30, 2020

	North Texas Food Bank	North Texas Food Bank - Perot Family Campus	Feeding North Texas Foundation	Eliminations	Total
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 4,784,245	\$ 1,062	\$ 9,259	\$ -	\$ 4,794,566
Cash restricted by New Markets Tax Credit Program notes payable	-	170,000	-	-	170,000
Pledges receivable	1,078,000	-	-	-	1,078,000
Other receivables	1,547,868	-	700	-	1,548,568
Investments	49,593,790	-	-	-	49,593,790
Investment in NTFB-PFC	944,690	-	-	(944,690)	-
Inventory of food and commodities	17,583,608	-	-	-	17,583,608
Prepaid expenses and other assets	352,861	-	-	-	352,861
<b>Total current assets</b>	<b>75,885,062</b>	<b>171,062</b>	<b>9,959</b>	<b>(944,690)</b>	<b>75,121,393</b>
<b>Noncurrent Assets</b>					
Cash restricted by New Markets Tax Credit Program notes payable	-	551,776	-	-	551,776
Pledges receivable, net	216,000	-	-	-	216,000
Pledges receivable - capital campaign, net	3,607,383	-	-	-	3,607,383
Investments - capital campaign	15,327,990	-	-	-	15,327,990
New Markets Tax Credit Program note receivable	16,838,300	-	-	-	16,838,300
Property and equipment, net	8,840,214	22,950,777	-	-	31,790,991
<b>Total noncurrent assets</b>	<b>44,829,887</b>	<b>23,502,553</b>	<b>-</b>	<b>-</b>	<b>68,332,440</b>
<b>Total assets</b>	<b>\$ 120,714,949</b>	<b>\$ 23,673,615</b>	<b>\$ 9,959</b>	<b>\$ (944,690)</b>	<b>\$ 143,453,833</b>
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 7,019,431	\$ -	\$ -	\$ -	\$ 7,019,431
Refundable advance	2,021,700	-	-	-	2,021,700
<b>Total current liabilities</b>	<b>9,041,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,041,131</b>
<b>Noncurrent Liabilities</b>					
New Markets Tax Credit Program notes payable	-	22,728,925	-	-	22,728,925
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>22,728,925</b>	<b>-</b>	<b>-</b>	<b>22,728,925</b>
<b>Total liabilities</b>	<b>9,041,131</b>	<b>22,728,925</b>	<b>-</b>	<b>-</b>	<b>31,770,056</b>
<b>Net Assets</b>					
Without donor restrictions	80,597,643	944,690	9,959	(944,690)	80,607,602
With donor restrictions	31,076,175	-	-	-	31,076,175
<b>Total net assets</b>	<b>111,673,818</b>	<b>944,690</b>	<b>9,959</b>	<b>(944,690)</b>	<b>111,683,777</b>
<b>Total liabilities and net assets</b>	<b>\$ 120,714,949</b>	<b>\$ 23,673,615</b>	<b>\$ 9,959</b>	<b>\$ (944,690)</b>	<b>\$ 143,453,833</b>
<b>Changes in Net Assets Without Donor Restrictions</b>					
<b>Revenues and other support</b>					
Public contributions	\$ 34,947,360	\$ 11,434	\$ 10,075	\$ -	\$ 34,968,869
Public support - in-kind	624,959	-	-	-	624,959
Government grants and cost reimbursements	19,406,257	-	-	-	19,406,257
Handling fee	1,274,795	-	-	-	1,274,795
Investment return, net	163,985	-	-	808,838	972,823
Other revenue	4,078	-	-	-	4,078
Released from restrictions	146,005,635	-	-	-	146,005,635
<b>Total revenues and other support</b>	<b>202,427,069</b>	<b>11,434</b>	<b>10,075</b>	<b>808,838</b>	<b>203,257,416</b>
<b>Expenses</b>					
Program	162,524,203	820,272	-	-	163,344,475
Management and general	2,402,482	-	261	-	2,402,743
Fundraising	5,946,049	-	-	-	5,946,049
Loss on disposal of fixed assets	460	-	-	-	460
<b>Total expenses</b>	<b>170,873,194</b>	<b>820,272</b>	<b>261</b>	<b>-</b>	<b>171,693,727</b>
<b>Changes in Net Assets Without Donor Restrictions</b>	<b>31,553,875</b>	<b>(808,838)</b>	<b>9,814</b>	<b>808,838</b>	<b>31,563,689</b>
<b>Changes in Net Assets With Donor Restrictions</b>					
Public contributions	13,717,331	-	-	-	13,717,331
Public support - in-kind	256,265	-	-	-	256,265
Capital campaign	239,573	-	-	-	239,573
Capital campaign - in-kind	100,000	-	-	-	100,000
Donated food and commodities	130,252,729	-	-	-	130,252,729
Released from restrictions	(146,005,635)	-	-	-	(146,005,635)
<b>Changes in Net Assets With Donor Restrictions</b>	<b>(1,439,737)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,439,737)</b>
<b>Change in Net Assets</b>	<b>30,114,138</b>	<b>(808,838)</b>	<b>9,814</b>	<b>808,838</b>	<b>30,123,952</b>
<b>Net Assets, Beginning of Year</b>	<b>81,559,680</b>	<b>1,753,528</b>	<b>145</b>	<b>(1,753,528)</b>	<b>81,559,825</b>
<b>Net Assets, End of Year</b>	<b>\$ 111,673,818</b>	<b>\$ 944,690</b>	<b>\$ 9,959</b>	<b>\$ (944,690)</b>	<b>\$ 111,683,777</b>