

LOS ANGELES REGIONAL



Fighting Hunger. Giving Hope.

**FINANCIAL REPORT  
DECEMBER 31, 2020**

LOS ANGELES REGIONAL



Fighting Hunger. Giving Hope.

## LETTER FROM BOARD CHAIR AND PRESIDENT

Dear Friends of the Food Bank,

The year 2020 was the Food Bank's most challenging year since our founding in 1973. The onset of the pandemic in March led to an unprecedented increase in the demand for food assistance throughout Los Angeles County. Thanks to record support of food, volunteer, in-kind and financial contributions, the Food Bank was able to respond immediately to the surge in the demand for food assistance.

Working with many partners, the Food Bank more than doubled the amount of food and product distributed to a record 176 million pounds, valued at more than \$282 million, to millions of families, older adults, children and individuals seeking assistance. The bottom line of our collective effort is to ensure that our neighbors don't experience the devastating impact of hunger.

The Food Bank continued to increase the capacity of our 700 partner agencies by purchasing refrigerated vans and trucks, commercial refrigerators and freezers and other equipment needed for their sites. This increased capacity allows our agency partners to acquire, store and distribute more perishable, frozen and other foods helping more people seeking food assistance in their community. Our Extra Helpings Program continues to be an efficient food recovery model for our agency partners to access nutritious food in their neighborhood and distribute the food to people in need.

The pandemic response has led to stronger partnerships with the State of California, County of Los Angeles, local cities, school districts and other organizations allowing us to reach more of our neighbors struggling to feed themselves. One lesson from the pandemic is enhanced partnerships increases our reach and effectiveness in serving people throughout Los Angeles County, especially communities that have been disproportionately impacted by the pandemic.

The Food Bank also increased its capacity in 2020 by purchasing a 256,000 sq.ft. building in the City of Industry. After several years of searching for a suitable facility, this building has been critical to our response to the pandemic. The goal for 2021 is to raise the funds to install refrigeration, pallet racking and make other improvements to transform the building into a new Food Bank Distribution Center.

The Food Bank's response to the pandemic continues as we stretch to provide nutritious food to as many people as we can reach with our partners. We are heartened that we live in a place that is the home of so many generous people like you who have made hunger relief a priority, giving those in our community hope for a better and brighter future. Thank you for your support of the Food Bank as we continue to mobilize resources to fight hunger in our community.

Best regards,



Whitney Jones Roy  
Chair, Board of Directors



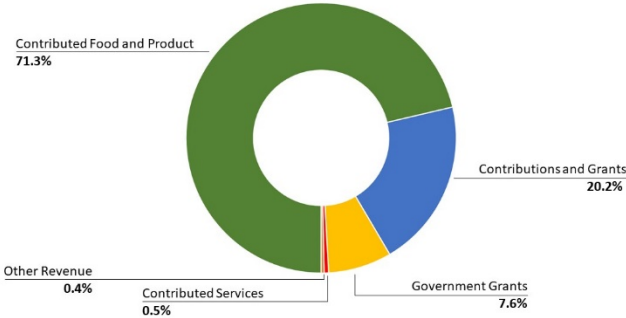
Michael Flood  
President and CEO

**Mobilizing the resources of our community since 1973**

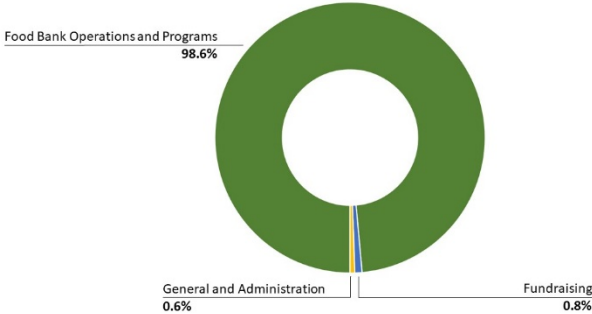
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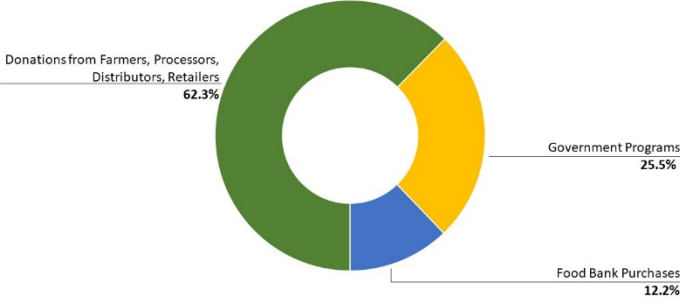
Where Our Resources Comes From



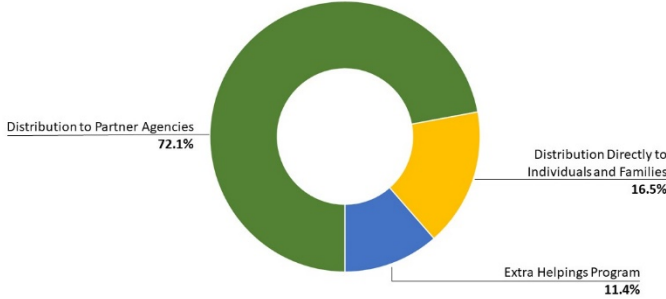
How We Use Our Resources



Where Our Food Comes From



Where Our Food Goes



# LOS ANGELES REGIONAL FOOD BANK

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Los Angeles Regional Food Bank

### Report on the Financial Statements

We have audited the accompanying financial statements of the Los Angeles Regional Food Bank (the Food Bank), which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Food Bank as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2021, on our consideration of the Food Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Food Bank's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Singer Lewak LLP". The signature is written in a cursive, flowing style.

May 25, 2021

**LOS ANGELES REGIONAL FOOD BANK**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2020 and 2019**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 36,388,799	\$ 5,849,787
Investments	286,968	260,973
Receivables from government agencies	10,559,205	2,275,274
Receivables from affiliated charities, net	138,480	288,596
Promises to give	1,484,044	1,216,627
Contributed food inventory	15,421,535	7,228,038
Purchased food inventory	3,157,129	851,473
Prepaid expenses	689,895	506,393
Program-related advances, net	1,428,403	1,679,773
Right-of-use assets	1,290,426	-
Property and equipment, net	58,299,338	5,318,060
<b>Total assets</b>	<b><u>\$ 129,144,222</u></b>	<b><u>\$ 25,474,994</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 4,821,561	\$ 3,245,135
Lease liabilities	1,403,531	168,815
Bonds payable, net	33,950,968	-
Total liabilities	<u>40,176,060</u>	<u>3,413,950</u>
<b>Net assets</b>		
Without donor restrictions		
Undesignated – operating	64,048,188	10,163,769
Undesignated – contributed food	15,421,535	7,228,038
Board-designated	133,725	129,045
	<u>79,603,448</u>	<u>17,520,852</u>
With donor restrictions		
Restricted as to time and purpose	9,254,714	4,430,192
Perpetual in nature	110,000	110,000
	<u>9,364,714</u>	<u>4,540,192</u>
Total net assets	<u>88,968,162</u>	<u>22,061,044</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 129,144,222</u></b>	<b><u>\$ 25,474,994</u></b>

See notes to financial statements.

**LOS ANGELES REGIONAL FOOD BANK**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2020**

	Without Donor Restrictions			With Donor Restrictions	Total
	Food Bank	Contributed Food	Total		
<b>Support, revenues, and gains</b>					
Contributions and grants	\$ 68,390,090	\$ -	\$ 68,390,090	\$ 8,475,638	\$ 76,865,728
Contributed food and commodities	-	271,402,103	271,402,103	-	271,402,103
Shared maintenance fees	21,037	-	21,037	-	21,037
Government reimbursement and administrative fees	28,886,095	-	28,886,095	-	28,886,095
Shop Smart & Save income	893,998	-	893,998	-	893,998
Special events, net of direct benefits to donors of \$124,375	60,687	-	60,687	-	60,687
Net investment return	23,337	-	23,337	33,538	56,875
Contributed services and use of facilities	2,002,222	-	2,002,222	-	2,002,222
Other income	331,583	-	331,583	-	331,583
Net assets released from restrictions	3,684,654	-	3,684,654	(3,684,654)	-
<b>Total support, revenues, and gains</b>	<u>104,293,703</u>	<u>271,402,103</u>	<u>375,695,806</u>	<u>4,824,522</u>	<u>380,520,328</u>
<b>Expenses</b>					
Food bank operations	45,959,268	263,208,606	309,167,874	-	309,167,874
Supporting services					
General and administrative	1,786,607	-	1,786,607	-	1,786,607
Fundraising	2,658,729	-	2,658,729	-	2,658,729
<b>Total expenses</b>	<u>50,404,604</u>	<u>263,208,606</u>	<u>313,613,210</u>	<u>-</u>	<u>313,613,210</u>
<b>Change in net assets</b>	53,889,099	8,193,497	62,082,596	4,824,522	66,907,118
<b>Net assets, beginning of year</b>	<u>10,292,814</u>	<u>7,228,038</u>	<u>17,520,852</u>	<u>4,540,192</u>	<u>22,061,044</u>
<b>Net assets, end of year</b>	<u><b>\$ 64,181,913</b></u>	<u><b>\$ 15,421,535</b></u>	<u><b>\$ 79,603,448</b></u>	<u><b>\$ 9,364,714</b></u>	<u><b>\$ 88,968,162</b></u>

See notes to financial statements.



**LOS ANGELES REGIONAL FOOD BANK**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2019**

	Without Donor Restrictions			With Donor Restrictions	Total
	Food Bank	Contributed Food	Total		
<b>Support, revenues, and gains</b>					
Contributions and grants	\$ 12,715,112	\$ -	\$ 12,715,112	\$ 3,671,180	\$ 16,386,292
Contributed food and commodities	-	104,624,250	104,624,250	-	104,624,250
Shared maintenance fees	196,227	-	196,227	-	196,227
Government reimbursement and administrative fees	9,045,188	-	9,045,188	-	9,045,188
Shop Smart & Save income	287,952	-	287,952	-	287,952
Special events, net of direct benefits to donors of \$112,699	234,461	-	234,461	-	234,461
Net investment return	22,518	-	22,518	26,840	49,358
Contributed services	260,713	-	260,713	-	260,713
Other income	591,514	-	591,514	-	591,514
Net assets released from restrictions	1,688,727	-	1,688,727	(1,688,727)	-
<b>Total support, revenues, and gains</b>	<u>25,042,412</u>	<u>104,624,250</u>	<u>129,666,662</u>	<u>2,009,293</u>	<u>131,675,955</u>
<b>Expenses</b>					
Food bank operations	19,825,972	102,779,140	122,605,112	-	122,605,112
Supporting services					
General and administrative	1,024,481	-	1,024,481	-	1,024,481
Fundraising	2,017,716	-	2,017,716	-	2,017,716
<b>Total expenses</b>	<u>22,868,169</u>	<u>102,779,140</u>	<u>125,647,309</u>	<u>-</u>	<u>125,647,309</u>
<b>Change in net assets</b>	2,174,243	1,845,110	4,019,353	2,009,293	6,028,646
<b>Net assets, beginning of year</b>	<u>8,118,571</u>	<u>5,382,928</u>	<u>13,501,499</u>	<u>2,530,899</u>	<u>16,032,398</u>
<b>Net assets, end of year</b>	<u><b>\$ 10,292,814</b></u>	<u><b>\$ 7,228,038</b></u>	<u><b>\$ 17,520,852</b></u>	<u><b>\$ 4,540,192</b></u>	<u><b>\$ 22,061,044</b></u>

See notes to financial statements.

**LOS ANGELES REGIONAL FOOD BANK**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2020**

	Food Bank Operations	Supporting Services			Total
		General and Administrative	Fundraising	Total Supporting	
Value of donated food and commodities distributed	\$ 263,208,606	\$ -	\$ -	\$ -	\$ 263,208,606
Purchased food cost of sales	19,687,850	-	-	-	19,687,850
Salaries, taxes, and benefits	12,434,412	478,884	1,069,892	1,548,776	13,983,188
Occupancy costs and warehouse maintenance	3,141,330	103,519	40,134	143,653	3,284,983
Insurance	932,232	55,261	44,209	99,470	1,031,702
Fuel, fleet costs, inbound freight	2,184,594	22,862	243	23,105	2,207,699
Office expense and services	826,271	67,136	145,033	212,169	1,038,440
Professional services	1,435,095	997,680	636,090	1,633,770	3,068,865
Interest expense	543,299	-	-	-	543,299
Grants paid	591,548	-	-	-	591,548
Materials and supplies	1,235,426	-	-	-	1,235,426
Other expenditures	624,016	61,265	723,128	784,393	1,408,409
Total expenses before depreciation and amortization	306,844,679	1,786,607	2,658,729	4,445,336	311,290,015
Depreciation and amortization	2,323,195	-	-	-	2,323,195
<b>Total expenses by function</b>	<b>\$ 309,167,874</b>	<b>\$ 1,786,607</b>	<b>\$ 2,658,729</b>	<b>\$ 4,445,336</b>	<b>\$ 313,613,210</b>

See notes to financial statements.

**LOS ANGELES REGIONAL FOOD BANK**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2019**

	Food Bank Operations	Supporting Services			Totals
		General and Administrative	Fundraising	Total Supporting	
<b>Expenses</b>					
Value of donated food distributed	\$ 102,779,140	\$ -	\$ -	\$ -	\$ 102,779,140
Purchased food cost of sales	4,783,220	-	-	-	4,783,220
Salaries, taxes, and benefits	8,168,782	440,420	1,098,706	1,539,126	9,707,908
Occupancy costs and warehouse maintenance	2,283,829	25,596	14,302	39,898	2,323,727
Insurance	572,639	68,603	54,882	123,485	696,124
Fuel, fleet costs, inbound freight	1,070,865	14,106	305	14,411	1,085,276
Office expense and services	375,203	140,024	312,274	452,298	827,501
Professional services	578,985	308,383	373,293	681,676	1,260,661
Other expenditures	1,176,826	27,349	163,954	191,303	1,368,129
 Total expenses before depreciation	 121,789,489	 1,024,481	 2,017,716	 3,042,197	 124,831,686
Depreciation	815,623	-	-	-	815,623
 <b>Total expenses by function</b>	 <b>\$ 122,605,112</b>	 <b>\$ 1,024,481</b>	 <b>\$ 2,017,716</b>	 <b>\$ 3,042,197</b>	 <b>\$ 125,647,309</b>

See notes to financial statements.

# LOS ANGELES REGIONAL FOOD BANK

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

	2020	2019
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 66,907,118	\$ 6,028,646
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	1,887,433	521,407
Amortization of program related advances	435,762	294,216
Amortization of bond issuance costs	2,968	-
Bad debt expense	9,623	13,166
Realized and unrealized gains on investments	(38,218)	(47,928)
(Gain)/loss on disposal of equipment	6,562	(1,500)
Change in contributed food inventory	(8,193,497)	(1,845,110)
Changes in operating assets and liabilities:		
Receivables from government agencies	(8,283,931)	(568,687)
Receivables from affiliated charities	140,493	(26,380)
Promises to give	(267,417)	(897,966)
Purchased food inventory	(2,305,656)	(40,358)
Prepaid expenses	(183,502)	(143,450)
Accounts payable and accrued expenses	1,576,426	1,221,060
Net cash provided by operating activities	51,694,164	4,507,116
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	12,223	11,854
Purchases of vehicles and equipment for program partners	(275,834)	(2,079,393)
Purchases of property and equipment	(20,918,831)	(67,524)
Proceeds from sale of equipment	-	500
Net cash used in investing activities	(21,182,442)	(2,134,563)
<b>Cash flows from financing activities</b>		
Proceeds from line of credit	-	1,000,000
Payments of line of credit	-	(1,000,000)
Payments of financing lease	(55,710)	-
Proceeds from issuance of bond	83,000	-
Net cash provided by financing activities	27,290	-
<b>Net increase in cash and cash equivalents</b>	30,539,012	2,372,553
<b>Cash and cash equivalents, beginning of year</b>	5,849,787	3,477,234
<b>Cash and cash equivalents, end of year</b>	<b>\$ 36,388,799</b>	<b>\$ 5,849,787</b>
<b>Supplemental Disclosure of Non-cash Investing and Financial Activity</b>		
Cost of property financed	\$ 33,865,000	\$ -
Issuance of Bond	\$ (33,865,000)	\$ -

See notes to financial statements.

# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – NATURE OF ORGANIZATION

The Los Angeles Regional Food Bank (the Food Bank) is a nonprofit organization with the mission to mobilize resources to fight hunger in the Los Angeles County community. To fulfill its mission, the Food Bank sources and acquires food and other products and distributes them to needy people through charitable agencies or directly through programs; conducts hunger education and awareness campaigns; advocates for public policies that alleviate hunger; and energizes the community to get involved and support hunger relief. The Food Bank's major sources of revenues are food donations, contributions, grants, fee income, and government contracts.

During 2020, the Food Bank provided the equivalent of approximately 143 million meals, serving over 900,000 individuals throughout Los Angeles County, on a monthly basis. During 2019, the Food Bank provided the equivalent of approximately 66 million meals, serving over 300,000 individuals throughout Los Angeles County, on a monthly basis.

Volunteers are essential in carrying out the Food Bank's mission. In 2020 and 2019, over 15,900 and 38,300 volunteers provided over 159,300 and 137,600 hours of service, respectively, to help sort, repack, and deliver food to pantries, partner agencies, or directly to the community.

The Food Bank distributes food and other essentials to children, students, seniors, families, and other individuals in need through the following programs:

- *General Food Distribution* is the Food Bank's core program and includes the distribution of food and products to charitable agencies located throughout Los Angeles County.
- *Extra Helpings* is a food recovery program linking agencies with food donation sources such as retail grocery stores, restaurants, hotels, the hospitality industry, and other food sources.
- The *Food Rescue Program* is designed to sort salvage donations from local retailers. Products from the Food Rescue Program are distributed to Food Bank agencies and to other Feeding America food banks.
- *Produce and Perishables Program* distributes a variety of fresh, nutritious, and healthy produce donated through local and regional produce distributors and growers to its agencies. The produce and perishable foods are distributed to agencies and through Food Bank programs.
- *Senior Nutrition/Brown Bag Program* provides agencies serving senior citizens the opportunity to receive and distribute fresh fruits, vegetables, and other foods to low-income older adults.
- *The Backpack Program* provides a package of healthy, nutritious food for eligible school-aged children every week during the school year to target hunger experienced by children during the weekend. Each package contains enough food for six meals to include breakfast, lunch, and dinner.

# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – NATURE OF ORGANIZATION (Continued)

- *Shop Smart & Save* is a food-buying service where the Food Bank allows its agencies to maximize their purchasing power by offering food and other items at wholesale prices.
- The *Emergency Food and Shelter National Board/Federal Emergency Management Agency Program (FEMA)* consists of federal funds allocated to the Food Bank through the Los Angeles County Emergency Food and Shelter Board. The funds are utilized for the purchase of food for distribution to qualified agencies.
- The *Emergency Food Assistance Program (EFAP)* provides emergency food assistance to residents of Los Angeles County through qualified agencies and is partially funded by the United States Department of Agriculture (USDA) through its agent, the California Department of Social Services.
- *USDA Commodity Supplemental Food Program (CSFP)* allows the Food Bank to distribute supplemental food to low-income seniors age 60 and older who are especially vulnerable to health problems resulting from general and continued hunger due to insufficient foods. CSFP is partially funded by the USDA through its agent, the California Department of Social Services.
- The *After-School Meal Program, partially funded by the USDA Child and Adult Care Food Program (CACFP)*, serves children at Food Bank agency sites throughout Los Angeles County. Children in the After-School Meal Program typically receive tutoring assistance, participate in sports, and benefit from mentoring. Participating agencies include after-school programs, day care centers, community centers, and youth centers. CACFP funding offsets some of the meal and other costs incurred by the children receiving meals at After-School Meal Program sites. Funding of other After-School Meal Program-related expenses is provided by grants and community support.
- *USDA Summer Food Service Program (SFSP)* provides nutritious meals to needy children in a safe and nurturing setting. SFSP is designed to provide funding for a nutritious lunch when children are on their summer recess. SFSP is funded by USDA and administered by the California Department of Education.
- *CalFresh Outreach Program* is partially funded by the USDA through its agent, CDSS and California Association of Food Banks. CalFresh Outreach work includes identifying low-income families and individuals who are eligible but not receiving CalFresh benefits and, when necessary, helping the family or individual with the application process, as well as educating Food Bank agencies and the general public about the CalFresh Program.

# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

The Food Bank considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

#### Investments

The Food Bank records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

#### Receivables from Government Agencies

Receivables from government agencies represents payments due from federal and state contracts. The Food Bank reports the receivables at their net realizable value. Receivables from government agencies are written off when deemed uncollectable. Management has determined no allowance was needed at December 31, 2020 and 2019.

#### Receivables from Affiliated Charities

Receivables from affiliated charities represents shared maintenance fees and is recorded at net realizable value. Management determines the allowance for uncollectible receivables based on an assessment of economic conditions and a review of subsequent collections. Receivables from affiliated charities are written off when deemed uncollectible. At December 31, 2020 and 2019, the allowance totaled \$24,721 and \$27,914, respectively.

# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Promises to Give

The Food Bank records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Food Bank determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

#### Contributed Food Inventory

Contributed food inventory represents inventory items donated to the Food Bank for distribution. The Food Bank receives donations from various sources as previously described and has a policy of utilizing all donated food received. Contributed food was utilized for the Food Bank's various programs (see Note 1).

#### *Government*

Government inventory represents commodities received under federal and state government programs for distribution. One of the major sources of contributed food is the USDA, which allocates food commodities to the Food Bank under EFAP, CSFP, and CFAP. The Food Bank records contributed food received from the government and state government programs based on donated food prices provided by the USDA, and which reflects the national average minimum value of donated foods in the United States and is updated quarterly. During the year ended December 31, 2020, the EFAP food product prices averaged \$0.93 per pound, CSFP food product prices averaged \$0.97 per pound, and Coronavirus Food Assistance Program (CFAP) food product prices averaged \$1.77 per pound. During the year ended December 31, 2019, the EFAP food product prices averaged \$1.01 per pound, and CSFP food product prices averaged \$0.91 per pound.

#### *Private*

Contributed food items are valued using the average per pound wholesale value that would be received for selling similar products in the United States for each food category, as determined by the Feeding America's Product Valuation Survey, which is performed annually by RSM LLP. For the years ended December 31, 2020 and 2019, the average wholesale value for contributed food was \$1.74 and \$1.52 per pound, respectively.

#### Purchased Food Inventory

Purchased food inventory is stated at the lower of cost and net realizable value using the first-in, first-out (FIFO) method.



# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property and Equipment

Property and equipment is recorded at cost when purchased or at fair value at the date of donation. Depreciation is computed using the straight-line basis over estimated useful lives of three to five years for equipment, trucks, furniture, and fixtures; seven years for cold storage; and ten to 30 years for building and improvements. The Food Bank's capitalizes all property and equipment expenditures over \$1,000. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

#### Deferred Bond Issuance Costs

Costs incurred in obtaining long-term financing are amortized on a straight-line basis over the term of the bonds. Bond issuance costs are presented in the statements of financial position as a direct deduction from the carrying amount of the bond.

#### Program-related Advances

The Food Bank purchases equipment and vehicles for certain program partners. Per the terms of the contract, the Food Bank maintains a security interest in the equipment and vehicles for a five-year period and may reclaim the equipment or vehicle upon early termination of the contract.

#### Leases

The Food Bank determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term.

#### Net Assets

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

- *Net Assets without Donor Restrictions* – net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.
- *Net Assets with Donor Restrictions* – net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor-restricted contributions, conditional contributions, and appropriated endowment earnings received and expended in the same reporting period are recorded as net assets without donor restrictions.

# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue and Revenue Recognition

Revenue is recognized when earned. Revenue from government grants and contracts is recognized as it is earned through expenditures in accordance with the agreements. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

#### Revenue Recognition on Contributed Products

The Food Bank recognizes revenue on contributed food and products at the time the contribution is received, at a value based on Feeding America's Product Valuation Survey and USDA fair market value report as discussed above. The related cost is recognized at the time the food and products are distributed to agencies and clients in the community, also based on these values.

#### Contributed Services and Use of Facilities

Contributed services are recognized by the Food Bank if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services received during the years ended December 31, 2020 and 2019, are comprised of professional services from attorneys advising on various administrative matters and amounted to \$878,739 and \$260,713 respectively. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

The Food Bank also receives a significant amount of contributed time from volunteers that does not meet the two recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements.

During the year ended December 31, 2020, the Food Bank received contributed freight services amounting to \$821,910. Contributed freight services are valued and are reported at the estimated fair value in the financial statements based on current shipping rates in California.

During the year ended December 31, 2020, the Food Bank received contributed use of storage space amounting to \$301,573. Contributed use of facilities is valued and reported at the estimated fair value in the financial statements based on current storage rates in Los Angeles.

# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fair Value Measurements

In accordance with U.S. GAAP, 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. Assets and liabilities carried at fair value are required to be classified and disclosed in one of the following three categories:

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

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3 – Unobservable inputs that are not corroborated by market data

The Food Bank's investments are reflected at fair value based on quoted market prices. These are classified within Level 1 of the valuation hierarchy.

#### Functional Allocation of Expenses

The costs of providing the Food Bank's various programs and other activities have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Costs have been allocated among the programs and supporting services benefited based on time studies and contractual requirements.

#### Impairment of Long-lived Assets

The Food Bank reviews long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment would be recorded in circumstances where undiscounted cash flows expected to be generated by an asset are less than the carrying value of that asset. As of December 31, 2020 and 2019, there were no events or changes in circumstances indicating the carrying amount of long-lived assets may not be recoverable.

#### Income Taxes

The Food Bank is organized as a not-for-profit organization exempt from income tax under provisions of Internal Revenue Code §501(c)(3). Management has analyzed the tax positions taken by the Food Bank, and has concluded that, as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Food Bank is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLE

During the year ended December 31, 2020, the Food Bank adopted ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The Food Bank elected not to restate the comparative period, applying the Comparatives Under 840 Option. The Food Bank also elected the practical expedient package to not reassess at adoption a) expired or existing contracts for whether they are or contain a lease b) the lease classification of any existing leases, or c) initial indirect costs for existing leases. As a result of the implementation of this guidance, the Food Bank recognized right-of-use assets of \$2,123,668, and lease liabilities totaling \$2,239,939. The adoption did not result in a material impact to the statement of activities for the year ended December 31, 2020.

During the year ended December 31, 2020, the Food Bank adopted ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The adoption of this new guidance was applied on a retrospective basis and did not have a material impact on the financial statements.

### NOTE 4 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of December 31, 2020 and 2019, the following table reflects the Food Bank's financial assets, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date due to donor restrictions or internal board designations.

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 36,388,799	\$ 5,849,787
Receivables from government agencies	10,559,205	2,275,274
Receivables from affiliated charities, net	138,480	288,596
Promises to give	1,484,044	1,216,627
Total financial assets	48,570,528	9,630,284
Promises to give due in more than one year	(678,500)	(480,351)
Funds donor-restricted for comprehensive campaign and capital purchases	(2,692,597)	(703,840)
Financial assets available to meet general expenditures within one year	<b><u>\$ 45,199,431</u></b>	<b><u>\$ 8,446,093</u></b>

# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES (Continued)

The Food Bank 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. The Food Bank 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 operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

In the event the need arises to utilize the board-designated funds for liquidity purposes, the board-designated endowment could be drawn upon through board resolution. Additionally, the Food Bank has available a \$2,500,000 line of credit from which it may use to draw funds to meet any funding shortfalls throughout the year.

### NOTE 5 – RECEIVABLES FROM GOVERNMENT AGENCIES

As of December 31, 2020 and 2019, receivables from government agencies consist of amounts due from the following:

	<b>2020</b>	<b>2019</b>
California Department of Social Services	\$ 9,521,526	\$ 2,060,889
California Department of Education	851,961	214,385
Los Angeles County Department of Public Health	109,011	-
Federal Emergency Management Agency	76,707	-
	<b><u>\$10,559,205</u></b>	<b><u>\$ 2,275,274</u></b>

### NOTE 6 – PROMISES TO GIVE

Unconditional promises to give at December 31, 2020 and 2019, are expected to be collected as follows:

	<b>2020</b>	<b>2019</b>
Within one year	\$ 569,044	\$ 348,127
One to five years	910,000	868,500
More than five years	5,000	-
	<b><u>\$ 1,484,044</u></b>	<b><u>\$ 1,216,627</u></b>

Included in promises to give at December 31, 2020 and 2019, is \$72,572 and \$79,649, respectively, which has been restricted by the donor for investment in facilities.

**LOS ANGELES REGIONAL FOOD BANK**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7 – FOOD INVENTORY**

As of December 31, 2020, the food inventory consisted of the following:

**Dollar Value**

	<u>Contributed</u>	<u>Purchased</u>	<u>Total</u>
<b>Beginning of year</b>	\$ 7,228,038	\$ 851,473	\$ 8,079,511
Receipts/Purchases	271,402,103	21,993,506	293,395,609
Distributions	<u>(263,208,606)</u>	<u>(19,687,850)</u>	<u>(282,896,456)</u>
<b>End of year</b>	<b><u>\$ 15,421,535</u></b>	<b><u>\$ 3,157,129</u></b>	<b><u>\$ 18,578,664</u></b>

**Poundage**

<b>Beginning of year</b>	8,244,347	982,312	9,266,659
Receipts/Purchases	160,578,615	22,275,477	182,854,092
Distributions	<u>(156,671,229)</u>	<u>(19,905,216)</u>	<u>(176,576,445)</u>
<b>End of year</b>	<b><u>12,151,733</u></b>	<b><u>3,352,573</u></b>	<b><u>15,504,306</u></b>

As of December 31, 2019, the food inventory consisted of the following:

**Dollar Value**

	<u>Contributed</u>	<u>Purchased</u>	<u>Total</u>
<b>Beginning of year</b>	\$ 5,382,928	\$ 811,115	\$ 6,194,043
Receipts/Purchases	104,624,250	4,398,205	109,022,455
Distributions	<u>(102,779,140)</u>	<u>(4,357,847)</u>	<u>(107,136,987)</u>
<b>End of year</b>	<b><u>\$ 7,228,038</u></b>	<b><u>\$ 851,473</u></b>	<b><u>\$ 8,079,511</u></b>

**Poundage**

<b>Beginning of year</b>	6,180,030	881,035	7,061,065
Receipts/Purchases	80,448,039	3,525,150	83,973,189
Distributions	<u>(78,383,722)</u>	<u>(3,423,873)</u>	<u>(81,807,595)</u>
<b>End of year</b>	<b><u>8,244,347</u></b>	<b><u>982,312</u></b>	<b><u>9,226,659</u></b>

**LOS ANGELES REGIONAL FOOD BANK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – PROGRAM-RELATED ADVANCES**

As of December 31, 2020 and 2019, program-related advances consisted of the following:

	<u>2020</u>	<u>2019</u>
Trucks	\$ 1,849,830	\$1,844,951
Equipment	<u>343,240</u>	<u>234,442</u>
	2,193,070	2,079,393
Accumulated amortization	<u>(764,667)</u>	<u>(399,620)</u>
	<b><u>\$ 1,428,403</u></b>	<b><u>\$1,679,773</u></b>

**NOTE 9 – PROPERTY AND EQUIPMENT**

As of December 31, 2020 and 2019, property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 24,016,201	\$ 2,260,008
Building	31,038,424	-
Building improvements	5,829,795	5,816,689
Trucks	2,725,850	2,073,980
Equipment	2,778,555	2,469,045
Computer software	401,688	401,688
Furniture and fixtures	374,268	369,205
Financing lease assets	<u>170,915</u>	<u>170,915</u>
Total property and equipment	67,335,696	13,561,530
Accumulated depreciation and amortization	<u>(10,130,903)</u>	<u>(8,243,470)</u>
Net property and equipment	57,204,793	5,318,060
Construction in progress	<u>1,094,545</u>	<u>-</u>
	<b><u>\$ 58,299,338</u></b>	<b><u>\$ 5,318,060</u></b>

**NOTE 10 – LINE OF CREDIT**

The Food Bank has a \$2,500,000 line of credit with a Bank. The purpose of the line of credit is to provide the Food Bank with access to short-term working capital needs in the event of an emergency or disaster, or other reasons, as designated by the Food Bank's board of directors. The line of credit matures on July 30, 2022 and is subject to renewal; bears an interest rate equal to the U.S. prime rate as published in the Wall Street Journal (4.25% at December 31, 2020).

**LOS ANGELES REGIONAL FOOD BANK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 – BONDS PAYABLE**

During the year ended December 31, 2020, the Food Bank entered into a long-term tax-exempt borrowing in the amount of \$34,500,000 with the California Enterprise Development Authority, for the purpose of financing, through proceeds from the 2020 Series A Bonds issued on the Food Bank’s behalf, certain costs of acquiring, improving, constructing, installing, equipping, and furnishing the food distribution and storage facility located in Industry, California. The Series A bonds mature on December 1, 2030, bear interest at a fixed rate of 2.35%, and included financing costs of \$552,000. Beginning in 2022, the agreement will require the Food Bank to comply with certain financial and non-financial covenants.

As of December 31, 2020, aggregate future maturities of debt for each of the next five years ending December 31 and thereafter is as follows:

2021	\$	-
2022		550,118
2023		1,122,373
2024		1,147,240
2025		1,177,044
Thereafter		<u>30,503,225</u>
		34,500,000
Less unamortized bond issuance costs		<u>(549,032)</u>
<b>Total</b>		<b><u>\$ 33,950,968</u></b>

**NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
<i>Subject to expenditure for specified purpose</i>		
CalFresh/SNAP Outreach	\$ 30,000	\$ 15,000
Food Distribution Programs	6,313,874	3,576,924
Comprehensive Campaign	2,588,213	679,105
Capital Purchases	<u>104,384</u>	<u>24,735</u>
	9,036,471	4,295,764
<i>Subject to the passage of time</i>		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	175,000	112,500
Endowment subject to Food Bank endowment spending policy and appropriation	110,000	110,000
Unappropriated Endowment earnings	<u>43,243</u>	<u>21,928</u>
	<b><u>\$ 9,364,714</u></b>	<b><u>\$ 4,540,192</u></b>



**LOS ANGELES REGIONAL FOOD BANK**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors are as follows for the years ended December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Satisfaction of purpose restrictions		
CalFresh/SNAP Outreach	\$ 15,000	\$ 105,649
Food Distribution Programs	3,357,003	1,341,655
Comprehensive Campaign	252,928	-
Capital Purchases	-	41,908
	3,624,931	1,489,212
Expiration of time restrictions	47,500	187,661
Endowment earnings appropriated	12,223	11,854
	<b><u>\$ 3,684,654</u></b>	<b><u>\$ 1,688,727</u></b>

**NOTE 13 – ENDOWMENT**

The Endowment consists of a fund established by a donor to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Directors.

The Board of Directors has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. According to the donor’s stipulation, the historical value of \$110,000 should be maintained in the fund; all additions to the fund over and above the historic dollar value may, subject to the discretion of the Food Bank Board of Directors, be used to fund distributions or awards supporting the purposes of the fund.

**LOS ANGELES REGIONAL FOOD BANK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 – ENDOWMENT (Continued)**

As of December 31, 2020, Endowment Net Assets Composition by Type of Fund are as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Board-designated endowment fund	\$ 133,725	\$ -	\$ 133,725
Donor-restricted endowment fund			
Original donor-restricted gift	-	110,000	110,000
Accumulated investment gains	-	43,243	43,243
	<b><u>\$ 133,725</u></b>	<b><u>\$ 153,243</u></b>	<b><u>\$ 286,968</u></b>

As of December 31, 2019, Endowment Net Assets Composition by Type of Fund are as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Board-designated endowment fund	\$ 129,045	\$ -	\$ 129,045
Donor-restricted endowment fund			
Original donor-restricted gift	-	110,000	110,000
Accumulated investment gains	-	21,928	21,928
	<b><u>\$ 129,045</u></b>	<b><u>\$ 131,928</u></b>	<b><u>\$ 260,973</u></b>

Investment and Spending Policies

The Food Bank has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, endowment assets are invested in a manner that is intended to produce results that exceed the spending rate policy while assuming a moderate level of investment risk. To satisfy its long-term rate of return objectives, the Food Bank relies on a total return strategy, in which investment returns are achieved through both capital appreciation and current yield. The Food Bank targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Food Bank has established a spending rate policy of 5.0% on the endowment.

**LOS ANGELES REGIONAL FOOD BANK**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 13 – ENDOWMENT (Continued)**

Changes in Endowment net assets for the year ended December 31, 2020 are as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Balance, beginning of year	\$ 129,045	\$ 131,928	\$ 260,973
Net investment return	4,680	33,538	38,218
Appropriation of endowment assets pursuant to spend rate policy	-	(12,223)	(12,223)
<b>Balance, end of year</b>	<b><u>\$ 133,725</u></b>	<b><u>\$ 153,243</u></b>	<b><u>\$ 286,968</u></b>

Changes in Endowment net assets for the year ended December 31, 2019 are as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Balance, beginning of year	\$ 107,957	\$ 116,942	\$ 224,899
Net investment return	21,088	26,840	47,928
Appropriation of endowment assets pursuant to spend rate policy	-	(11,854)	(11,854)
<b>Balance, end of year</b>	<b><u>\$ 129,045</u></b>	<b><u>\$ 131,928</u></b>	<b><u>\$ 260,973</u></b>

**LOS ANGELES REGIONAL FOOD BANK**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 14 – LEASES**

The Food Bank leases a building under an operating lease that expires June 30, 2022. The Food Bank also has a financing lease for equipment that expires December 15, 2022. Neither lease contains an option for renewal. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2020, was 3%. The weighted-average remaining lease term for the leases was approximately two years. For the year ended December 31, 2020, total rent expense was \$1,227,896 and short-term lease cost was \$458,658. For the year ended December 31, 2019, total rent expense was \$931,030.

Future maturities on lease liabilities for the years ending December 31, are as follows:

2021	\$ 866,732
2022	<u>592,494</u>
	1,459,226
Less present value discount	<u>(55,695)</u>
<b>Total</b>	<b><u>\$ 1,403,531</u></b>

**NOTE 15 – RISKS AND UNCERTAINTIES**

Financial Instruments and Credit Risk

The Food Bank manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Food Bank to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market and mutual funds. To date, the Food Bank has not experienced losses in any of these accounts.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Food Bank's mission.

Investments are made by diversified investment managers whose performance is monitored by management and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Food Bank.

# LOS ANGELES REGIONAL FOOD BANK

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 15 – RISKS AND UNCERTAINTIES (Continued)**

#### Uncertainties

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Food Bank operates.

### **NOTE 16 – RETIREMENT PLAN**

All employees who have completed a year of service, as defined in the 403(b) Plan (the Plan) and are at least 18 years of age are eligible to participate in the Plan. The Food Bank will make a non-elective contribution equal to 1% of employees' compensation for the Plan year, as well as an employer match of up to 3% of the employees' eligible compensation. During the years ended December 31, 2020 and 2019, the Food Bank made contributions to the plan totaling \$200,228 and \$160,394, respectively.

### **NOTE 17 – SUBSEQUENT EVENTS**

Management evaluated all subsequent events through May 25, 2021, the date the financial statements were issued.