



## **Clark County Food Bank**

Financial Statements, Single Audit Reports, and Other  
Information as of and for the Year Ended June 30, 2020  
and Report of Independent Accountants

CLARK COUNTY FOOD BANK

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## REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors  
Clark County Food Bank:*

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

We have audited the accompanying financial statements of Clark County Food Bank, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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; 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 organization'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 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 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 Clark County Food Bank 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.

**Other Matters**

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards on page 20, as required by Title 2, *U.S. Code of Federal Regulations* (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Summarized Comparative Information*

We have previously audited Clark County Food Bank’s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of Clark County 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clark County Food Bank’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clark County Food Bank’s internal control over financial reporting and compliance.

Handwritten signature in black ink, appearing to read "C. J. & CO. LLP".

November 20, 2020

## CLARK COUNTY FOOD BANK

**STATEMENT OF FINANCIAL POSITION**

JUNE 30, 2020

(WITH COMPARATIVE AMOUNTS FOR 2019)

	<b>2020</b>	<b>2019</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 6,499,373	2,819,983
Contributions and grants receivable (note 6)	559,507	242,541
Investments (note 7)	855,388	1,608,113
Beneficial interest in assets held by The Community Foundation for Southwest Washington (note 8)	19,326	19,032
Inventories (note 9)	458,412	390,746
Prepaid expenses	126,826	148,701
Property and equipment (note 10)	4,944,490	5,109,412
<b>Total assets</b>	<b>\$ 13,463,322</b>	<b>10,338,528</b>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	23,058	23,352
Accrued payroll and related expenses	75,435	61,615
Deferred revenue	-	18,500
Note payable (note 12)	202,612	-
<b>Total liabilities</b>	<b>301,105</b>	<b>103,467</b>
<b>Net assets:</b>		
Without donor restrictions:		
Available for programs and general operations	7,678,154	4,879,247
Board-designated fund (note 8)	19,326	19,032
Net investment in capital assets	4,944,490	5,109,412
<b>Total without donor restrictions</b>	<b>12,641,970</b>	<b>10,007,691</b>
With donor restrictions (note 13)	520,247	227,370
<b>Total net assets</b>	<b>13,162,217</b>	<b>10,235,061</b>
Commitments and contingencies (notes 6, 10, 11, 12, 18, 19, and 20)		
<b>Total liabilities and net assets</b>	<b>\$ 13,463,322</b>	<b>10,338,528</b>

See accompanying notes to financial statements.

## CLARK COUNTY FOOD BANK

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	2020		Total	2019
	Without donor restrictions	With donor restrictions		
<b>Revenues, gains, and other support:</b>				
Contributions and grants	\$ 3,629,098	427,234	4,056,332	1,753,161
Government grants ( <i>note 14</i> )	765,473	–	765,473	468,081
Donated food ( <i>note 14</i> )	10,807,723	–	10,807,723	9,844,371
Special events, net of direct costs of \$54,413 in 2020 and \$91,210 in 2019	337,018	–	337,018	353,076
Net change in beneficial interest in assets held by The Community Foundation for Southwest Washington ( <i>note 8</i> )	(706)	–	(706)	624
Investment return ( <i>note 7</i> )	55,681	–	55,681	36,482
Other	56,760	–	56,760	59,821
Total revenues and gains	15,651,047	427,234	16,078,281	12,515,616
Net assets released from restrictions ( <i>note 15</i> )	134,357	(134,357)	–	–
Total revenues, gains, and other support	15,785,404	292,877	16,078,281	12,515,616
<b>Expenses (<i>note 16</i>):</b>				
Program services	12,504,236	–	12,504,236	11,464,721
Management and general	250,952	–	250,952	209,461
Fundraising	395,937	–	395,937	359,270
Total expenses	13,151,125	–	13,151,125	12,033,452
Increase in net assets	2,634,279	292,877	2,927,156	482,164
Net assets at beginning of year	10,007,691	227,370	10,235,061	9,752,897
Net assets at end of year	\$ 12,641,970	520,247	13,162,217	10,235,061

See accompanying notes to financial statements.

CLARK COUNTY FOOD BANK  
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	2020			Total	2019
	Program services	Supporting services Management and general	Fundraising		
Food distribution:					
Food distribution	\$10,404,482	-	-	10,404,482	9,652,588
Food purchases and shrinkage	537,778	-	-	537,778	494,880
<b>Total food distribution expenses</b>	<b>10,942,260</b>	<b>-</b>	<b>-</b>	<b>10,942,260</b>	<b>10,147,468</b>
Operating expenses:					
Salaries and related expenses	831,441	109,886	185,630	1,126,957	1,004,203
Stakeholder development and meetings	94,300	55,756	349	150,405	85,470
Occupancy	112,898	13,897	1,050	127,845	80,363
Professional services	7,878	108,590	4,969	121,437	99,089
Donor outreach	271	-	103,476	103,747	99,508
Contracted labor	81,626	-	-	81,626	76,451
Maintenance and improvements	57,169	9,701	452	67,322	52,029
Information technology	20,549	20,029	6,879	47,457	22,690
Insurance	22,858	11,046	1,546	35,450	33,542
Equipment	25,181	446	4	25,631	11,577
Warehouse operations	17,386	-	-	17,386	47,358
Printing and postage	3,232	2,894	9,671	15,797	8,819
Office supplies	2,820	692	2,558	6,070	4,410
Dues and subscription	2,776	1,254	10	4,040	5,366
Transportation	527	1,023	3	1,553	2,827
Farming	1,503	-	-	1,503	2,985
Other	795	866	43,750	45,411	26,445
<b>Total operating expenses</b>	<b>1,283,210</b>	<b>336,080</b>	<b>360,347</b>	<b>1,979,637</b>	<b>1,663,132</b>
Total expenses before depreciation and allocation of indirect costs	12,225,470	336,080	360,347	12,921,897	11,810,600
Depreciation and amortization	206,193	5,960	17,075	229,228	222,852
Allocation of indirect costs	72,573	(91,088)	18,515	-	-
<b>Total expenses</b>	<b>\$12,504,236</b>	<b>250,952</b>	<b>395,937</b>	<b>13,151,125</b>	<b>12,033,452</b>

See accompanying notes to financial statements.

## CLARK COUNTY FOOD BANK

**STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Cash received from contributors, grantors, and others	\$ 4,855,281	2,535,260
Cash paid to employees, suppliers, and others	(2,128,506)	(1,922,337)
Interest income received	52,328	32,604
Net cash provided by operating activities	2,779,103	645,527
<b>Cash flows from investing activities:</b>		
Purchase of capital assets	(67,403)	(172,888)
Purchase of investments	(700,617)	(1,200,871)
Additions to assets held by The Community Foundation for Southwest Washington	(1,000)	-
Proceeds from the sale of investments	1,479,725	463,262
Reinvestment of interest and dividend income	(23,030)	(15,728)
Net cash provided by (used in) investing activities	687,675	(926,225)
<b>Cash flows from financing activities:</b>		
Proceeds from contributions restricted for purchases of capital assets	10,000	188,434
Proceeds from the issuance of note payable	202,612	-
Net cash provided by financing activities	212,612	188,434
Net increase (decrease) in cash and cash equivalents	3,679,390	(92,264)
Cash and cash equivalents at beginning of year	2,819,983	2,912,247
Cash and cash equivalents at end of year	\$ 6,499,373	2,819,983

See accompanying notes to financial statements.



**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2020

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**1. Organization**

In 1985, the Clark County Food Bank became the primary, county-wide nonprofit food distribution organization as the successor of the Clark County Food Bank Coalition. Clark County Food Bank is affiliated with Feeding America through its connection with Oregon Food Bank, and provides bulk food to 43 partners at approximately 130 distribution sites. These sites include emergency food pantries, supplemental programs, and meal sites. Those programs, in turn, distribute the food to hungry and food-insecure individuals, families, and children of diverse cultural and ethnic backgrounds who are at or below 185 percent of federal poverty guidelines. The mission of the Clark County Food Bank is to alleviate hunger and its root causes.

Bulk food products are sourced from the USDA – The Emergency Food Assistance Program and Trade Mitigation Program, Washington State – Emergency Food Assistance Program, Northwest Harvest, Oregon Food Bank, and Clark County Food Bank’s Fresh Alliance partnership with area supermarkets. This is supplemented by annual Clark County food drives, including Walk & Knock and Letter Carriers, local donations, and the ten-acre Gardens for the Community Program.

Originally operating from an 8,000-square-foot, leased warehouse facility, staffed and managed through a contract with The Salvation Army, today, the Clark County Food Bank owns and operates a 22,000-square-foot food distribution center and two off-site food pantries to meet the ever-growing needs for its services. It is now well-positioned to continue to make a positive difference in the lives of the hungry and food-insecure in Clark County for the long term and to carry out the full intent of its mission.

**2. Program Services**

During the year ended June 30, 2020, the organization incurred program service expenses in the following major categories:

**Food Collection and Distribution** – Clark County Food Bank provided emergency food to hungry individuals and families through distribution of bulk food to 43 partners at approximately 130 distribution sites. During the 2020 fiscal year, the organization distributed about 7 million pounds of food products to partner agencies, resulting in over 115,000 individuals receiving food at our partner agency sites.

**Community Kitchen** – As a food bank, the organization wants to break down the barriers to food and ensure that every person in our community has access to healthy food. Clark County Food Bank operates two food pantry sites, one in the Fruit Valley neighborhood and the other in Walnut Grove. These locations have been serving food and restoring hope in this neighborhood for countless families who struggle with hunger because they do not have adequate access to healthy food.

**Community Outreach** – There are two main ways we engage with our community. One is for us to simply go when invited to grocery stores, schools, businesses and community events. Another way is by providing educational and volunteer opportunities to those in our community. Events like S&VEN (Students & Veterans Engaging), Kids First, and Youth Efforts Against Hunger are especially focused on engaging with the youth in our community.

**Nutrition Education** – To help alleviate the root cause of hunger and going beyond hand-outs, Clark County Food Bank strives to provide skills, resources, knowledge, and the confidence necessary to prepare, shop and plan for healthy, low-cost and easily prepared meals through our four educational programs.

**Farming** – Beginning in 2009, Clark County Food Bank increased its commitment to provide fresh, healthy fruits and vegetables by growing them. With the help of volunteers, a ten-acre plot at Heritage Farm produces and local donated ground produces over 100,000 pounds of fresh vegetables for the food bank each year.

**Gleaning** – Gleaning events, involving numerous volunteers, growers, farmers' markets and donors, help connect Clark County food pantries with local growers, utilizing food that otherwise may go to waste.

### 3. Recently-Adopted Accounting Standards

Regarding revenue recognition, effective July 1, 2019, Clark County Food Bank adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606) ("ASU 2014-09"), and additional ASUs issued to clarify the guidance in ASU 2014-09, which amends the existing accounting standards for revenue recognition. Clark County Food Bank adopted the new revenue standard applying the modified retrospective transition method to contracts not yet completed as of the date of adoption. The adoption of this standard did not have a material effect on the financial statements.

In June of 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This standard attempts to clarify the characterization of grants and similar contracts (particularly with governments) as either exchange transactions or contributions. It also provides updated guidance in distinguishing between conditional and unconditional gifts. Clark County Food Bank applied this standard on a modified prospective basis to new agreements entered into during the year ended June 30, 2020. The adoption of this standard did not have a material effect on the financial statements.

### 4. Summary of Significant Accounting Policies

The significant accounting policies followed by Clark County Food Bank are described below to enhance the usefulness of the financial statements to the reader.

**Basis of Accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

**Basis of Presentation** – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the organization's 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-imposed stipulations. From time to time, the Board of Directors may designate a portion of these net assets for particular purposes and objectives.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of Clark County Food Bank and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, such differences, if any, would not be significant.

**Cash Equivalents** – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents. In addition, cash and certificates of deposit held as part of the organization’s investment portfolio, and where management’s intention is to use the cash or certificates of deposits to purchase investments to be held long-term, is classified as investments.

**Investments** – Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair value in the statement of financial position. Whenever available, quotations from organized securities exchanges are used as the basis for fair value.

Net investment return, which includes both current yield (interest and dividend income) and net change in the fair value of investments, is reported in the statement of activities, net of investment expenses. Interest income is accrued as earned. All security transactions are recorded on a trade date basis.

Clark County Food Bank has some exposure to investment risks, including interest rate, market, and credit risks, for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the accompanying financial statements.

**Inventories** – Inventories, which consist primarily of donated and purchased food, are carried at the lower of cost or market value. Cost is determined based on poundage and the nationally-calculated average, per-pound value (\$1.73 per pound for the year ended June 30, 2020). Food donations received from the United States Department of Agriculture (“USDA”) are based on a per case value, as stated by the USDA.

**Capital Assets and Depreciation** – Capital assets are carried at cost, and initially at fair value when acquired by gift. Capital assets having a unit cost exceeding \$2,000 or more and an estimated useful life of more than one year are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally 3 to 10 years for furniture and equipment; 7 years for vehicles; five years for leasehold improvements, or the term of the lease, if shorter; and 39 years for buildings and related building and land improvements.

The organization periodically reviews the carrying amount of their capital assets whenever events or circumstances provide evidence that suggests that the carrying amount may not be recoverable. As of June 30, 2020, the organization does not believe there is any indication that the carrying values of their capital assets have been impaired during the year ended June 30, 2020.

**Revenue Recognition** – With regard to revenues from grants and contracts, Clark County Food Bank evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, Clark County Food Bank recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service. Exchange transactions during the year consisted solely from the exchange portion of special event revenue, which is recognized at the time of the event as goods and service are delivered.
- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, Clark County Food Bank evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds, and (2) either a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets.

- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government’s own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

**Contributions** – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor’s commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised.

Contributions and grants receivable are reported net of an allowance for estimated uncollectible promises. Promises to give are written off when deemed uncollectible.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional contributions with donor-imposed restrictions are recorded as net assets without donor restrictions if those conditions are met and restrictions are satisfied in the same reporting period.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets restricted to the acquisition of capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets, in accordance with donors intent.

**In-Kind Contributions** – A number of unpaid volunteers have made significant contributions of their time to develop and implement Clark County Food Bank’s programs. Under generally accepted accounting principles, significant services received which create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the statement of activities.

In-kind contributions of land, buildings, equipment, and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the organization’s activities.

During the year ended June 30, 2020, the organization recorded the following in-kind contributions:

Donated food	\$ 10,807,723
Professional services	45,108
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	10,852,831
Special event supplies	27,238
	<hr/>
	\$ 10,880,069
	<hr/>

**Benefits Provided to Donors at Special Events** – Clark County Food Bank conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by participants at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals, entertainment, and other benefits provided at special events is measured at the actual cost to the organization.

**Advertising Expenses** – Advertising and promotional costs are charged to expense as they are incurred.

**Concentrations of Credit Risk** – The organization’s financial instruments consist primarily of cash equivalents, certificates of deposit, and a beneficial interest in assets held by The Community Foundation for Southwest Washington, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”).

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category. At June 30, 2020, the organization held \$2,280,310 in excess of FDIC coverage limits.

The organization’s beneficial interest in assets held by The Community Foundation for Southwest Washington is dependent upon changes in the fair values of the underlying investments and the ability of The Community Foundation for Southwest Washington to honor its commitment.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the organization’s management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

**Income Taxes** – The organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Clark County Food Bank derives its public charity status as an organization described in Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code.

**Subsequent Events** – Subsequent events have been evaluated by management through November 20, 2020, which is the date the financial statements were available to be issued.

**Summarized Financial Information for 2019** – The accompanying financial information as of and for the year ended June 30, 2019 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

**Other Significant Accounting Policies** – Other significant accounting policies are set forth in the financial statements and the following notes.

## 5. Recently-Issued Accounting Standards

In February of 2016, the FASB issued ASU No. 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 statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Clark County Food Bank is evaluating the impact of the pending adoption of the new standard on its financial statements.

## 6. Contributions and Grants Receivable

Contributions and grants receivable at June 30, 2020 are summarized as follows:

Private grants and contributions	\$ 351,000
Government grants	208,507
	<hr/>
	\$ 559,507

### *Unconditional promises expected to be collected in:*

Less than one year <sup>1</sup>	\$ 500,507
One year to five years	59,000
	<hr/>
	\$ 559,507

<sup>1</sup> Includes \$250,000 for construction of Walnut Grove Community Kitchen.

### *Conditional grants*

In addition, at June 30, 2020, Clark County Food Bank had \$604,656 in government grants available for future periods, the recognition of which was conditioned upon the incurrence of allowable costs. This grant revenue has not been included in the accompanying financial statements because the associated conditions had not been satisfied as of June 30, 2020.

## 7. Investments

Investments consist of the following at June 30, 2020:

Brokered certificates of deposit (at fair value)	\$ 754,662
Bank certificates of deposit	100,726
	<hr/>
	\$ 855,388

Total investment return for the year ended June 30, 2020 is summarized as follows:

Interest and dividend income <sup>1</sup>	\$ 52,328
Net increase in the fair value of investments	3,353
	<hr/>
	\$ 55,681

<sup>1</sup> Interest income is presented net of external investment expenses.

## 8. Beneficial Interest in Assets Held by The Community Foundation for Southwest Washington

Clark County Food Bank has established a fund at The Community Foundation for Southwest Washington. The organization accounts for its interest in this fund using the equity method of accounting, which approximates the present value of the estimated expected future cash flow that will inure to the organization. The assets in the fund represent Board-designated expendable funds.

Changes in the organization's beneficial interest in this fund for the year ended June 30, 2020 are summarized as follows:

Balance at beginning of year	\$ 19,032
Additions to fund	1,000
Less decrease in the fair value of the fund	(706)
	<hr/>
Balance at end of year	\$ 19,326

Under the terms of its agreement with The Community Foundation for Southwest Washington, the fund is invested at the discretion of the foundation and is held in a mixture of asset classes designed to maximize return while minimizing risk.

## 9. Inventories

At June 30, 2020, the organization's inventory consisted of 419,984 pounds of food available for distribution, valued at \$458,412, from the following sources:

Donated by supermarkets and individuals	\$ 248,217
U.S. Department of Agriculture	152,721
Northwest Harvest	46,451
Purchased for distribution	11,023
	<hr/>
	\$ 458,412

## 10. Property and Equipment

A summary of property and equipment at June 30, 2020 is as follows:

Land	\$ 653,540
Building and improvements	4,894,346
Furniture and equipment	306,668
Vehicles	499,508
Leasehold improvements	69,702
	<hr/>
	6,423,764
Less accumulated depreciation and amortization	(1,479,274)
	<hr/>
	\$ 4,944,490

In February of 2011, the organization received grants from the State of Washington and Clark County, Washington for \$1,470,000 and \$466,000, respectively, to purchase land and build a food distribution center. Both grants require a deed of trust on the properties. The terms of the State of Washington and Clark County agreements require that the property must be used as a food bank to serve Clark County for a period of ten years (through 2021) and 30 years (through March of 2041), respectively.

The organization will be liable for the repayment of the grants upon the sale, transfer, refinancing, or change in use of the property. In such event, the organization must repay to the State of Washington a total of \$1,470,000, plus 5% compounded interest, and to Clark County a total of \$466,000, plus a proportionate share of the appreciated value of the property. As of June 30, 2020, the organization has complied with all restrictions referred to above, and also has the intention and ability to continue to comply with those restrictions. Accordingly, no associated liability has been recorded in the accompanying financial statements.

## 11. Line of Credit

At June 30, 2020, the organization maintained a line of credit in the amount of \$500,000, secured by all inventory, accounts, equipment, and general intangibles. The line bears interest at the

prime rate (3.25% at June 30, 2020), plus 1.50%, but not less than 4.75%. The line matures in July of 2022. No balance was outstanding at June 30, 2020.

## 12. Note Payable

In April 2020, Clark County Food Bank obtained an unsecured, forgivable loan from a commercial bank in the amount of \$202,612, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The bank's loan is guaranteed by the U.S. Small Business Administration ("SBA"), and is designed to provide a direct incentive for small businesses and nonprofits to keep their employees on payroll during the COVID-19 pandemic (see note 23). Qualifying businesses could spend loan proceeds to cover payroll, mortgage interest, rent, and utilities. PPP borrowers can qualify to have the loans forgiven if the proceeds are used to pay certain eligible costs. However, the amount of loan forgiveness will be reduced if less than 60% of the funds are spent on payroll, full-time headcount declines, or if salary levels decreases over a covered period of either eight weeks or 24 weeks. Clark County Food Bank has elected 24 weeks.

The loan matures in April of 2022, and bears interest at a rate of 1.0% per annum, payable monthly. However, pursuant to the Paycheck Protection Flexibility Act of 2020, the deferral period for loan payments has been extended to either (1) the date that SBA remits the borrower's loan forgiveness amount to the lender, or (2) if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period. The note may be pre-paid by Clark County Food Bank at any time prior to maturity with no prepayment penalties.

In accordance with the provisions of the PPP and SBA's promise of forgiveness, the organization intends to use the loan amount for the qualifying expenses. The organization accounts for the loan as debt under Financial Accounting Standards Board Accounting Standards Codification Topic 470, *Debt*, until the loan is, in part or wholly, forgiven and legally released by the SBA, or until the loan is paid in full.

### 13. Net Assets with Donor Restrictions

The following summarizes Clark County Food Bank’s net assets with donor-imposed restrictions as of June 30, 2020:

<i>Expendable net assets restricted for the following purposes:</i>	
Community Kitchen – Walnut Grove facility	\$ 250,000
Community Kitchen	30,000
Food purchases and distribution	141,909
Nutrition education	13,274
Other purposes	14,064
	449,247
<i>Expendable net assets unrestricted as to purpose, but restricted as to time:</i>	
Pledges to benefit the organization’s general operations in future periods	71,000
	Total net assets with donor restrictions
	\$ 520,247

### 14. Government Grants

During the year ended June 30, 2020, the organization received grants provided under agreements with the following:

Washington State Department of Agriculture	\$ 324,273
United States Department of Agriculture, (passed through the Washington State Department of Agriculture)	194,727
United States Department of the Treasury (passed through the Washington State Department of Agriculture)	126,473
United States Department of Homeland Security	75,000
United States Department of Health and Human Services, (passed through Clark County)	45,000
	\$ 765,473

In addition, during the year ended June 30, 2020, the organization received \$2,332,115 in donated food from the United States Department of Agriculture’s Emergency Food Assistance Program, and Trade Mitigation Program, both of which were passed through the Washington State Department of Agriculture. The donation is included among “donated food” in the statement of activities.

### 15. Net Assets Released from Restrictions

During the year ended June 30, 2020, \$134,357 in donor-imposed net asset restrictions were released by incurring expenses in satisfaction of the restricted purposes or by the occurrence of other events specified by the donors.

### 16. Expenses

The costs of providing the various programs and activities of the organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization and, therefore, require allocation on a reasonable basis that is consistently applied. Those expenses include depreciation and amortization, and other facility-related costs, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other expenses, which are allocated based on employee time and effort.



## 17. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following at June 30, 2020:

<i>Total financial assets:</i>	
Cash and cash equivalents	\$ 6,499,373
Contributions and grants receivable	559,507
Investments	855,388
Beneficial interest in assets held at The Community Foundation for Southwest Washington	19,326
	7,933,594
<i>Less financial assets not available within the year ending June 30, 2021:</i>	
Financial assets designated by the Board	(19,326)
Financial assets for capital improvements	(250,000)
Financial assets collectible in more than one year	(59,000)
	(328,326)
	\$ 7,605,268

As part of its liquidity management, Clark County Food Bank has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The organization also invests cash in excess of daily requirements in certificates of deposit and money market funds. To help manage unanticipated liquidity needs, the organization has a committed line of credit upon which it could draw (see note 11).

In addition, Clark County Food Bank holds Board-designated expendable funds totaling \$19,326 (see note 8). Although the organization does not intend to spend from its board-designated fund, amounts from the fund could be made available, if necessary.

## 18. Retirement Plan

Effective July 1, 2017, the organization established a Section 401(k) retirement plan. Eligible employees may elect to make voluntary contributions to the plan on a pre-tax basis, up to the limits allowed by law. All employees who have at least three months of employment and are expected to work at least 1,000 hours a year are eligible to participate in the plan. The organization initially matches each employee's contributions to the plan, up to 3% of the participating employee's compensation. After two years of employment, the organization also matches half of the participating employee's contributions greater than 3%, up to 7%. After four years of employment, the organization additionally matches half of the participating employee's contributions greater than 7%, up to 11%. Employer contributions vest 25% per year for the first four years. Contributions by the organization to the plan totaled \$33,098 for the year ended June 30, 2020.

## 19. Operating Lease Commitment

Clark County Food Bank leases commercial space to operate a food pantry expiring in November 2021. Future minimum payments required under this lease are as follows:

<i>Years ending June 30,</i>	
2021	\$ 50,400
2022	21,000
	\$ 71,400

Rent expense for the above lease for the year ended June 30, 2020 totaled \$29,400.

## 20. Contingencies

Certain amounts received or receivable under the organization's contracts with the State of Washington, and the federal government are subject to audit and adjustment. Any expenditures or claims disallowed as a result of such audits would become a liability of the organization's unrestricted fund. In the opinion of management, any adjustments that might result from such audits would not be material to the organization's overall financial statements.

## 21. Fair Value Measurements

Included in the accompanying financial statements are certain financial instruments carried at fair value. The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale; similarly, the fair value of a liability is the amount at which the liability could be transferred in a current transaction between willing parties. Fair values are based on quoted market prices when available.

When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality.

All financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined under generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities and the lowest ranking to fair values determined using methodologies and models with unobservable inputs, as follows:

- *Level 1* – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

- *Level 2* – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
- *Level 3* – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement.

At June 30, 2020, the following financial assets are measured at fair value on a recurring basis:

	Level 2	Level 3	Total
Brokered certificates of deposit	\$ 754,662	–	754,662
Beneficial interest in assets held by The Community Foundation for Southwest Washington <sup>1</sup>	–	19,326	19,326
Total investments, at fair value	\$ 754,662	19,326	773,988

<sup>1</sup> See note 8 for a summary of the beneficial interest in assets held by The Community Foundation for Southwest Washington and associated activity for the year ended June 30, 2020.

## 22. Statement of Cash Flow Reconciliation

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash provided by operating activities (as reported on the statement of cash flows):

Increase in net assets	\$ 2,927,156
<hr/>	
<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>	
Depreciation and amortization	229,228
Proceeds from contributions restricted for purchases of capital assets	(10,000)
Net increase in the fair value of investments	(3,353)
Net change in beneficial interest in assets held by The Community Foundation for Southwest Washington	706
Loss on disposal of capital assets	3,097
<i>Net changes in:</i>	
Contributions and grants receivable	(316,966)
Inventories	(67,666)
Prepaid expenses	21,875
Accounts payable and accrued expenses	(294)
Accrued payroll and related expenses	13,820
Deferred revenue	(18,500)
<hr/>	
Total adjustments	(148,053)
<hr/>	
Net cash provided by operating activities	\$ 2,779,103
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## 23. Coronavirus Pandemic

In December of 2019, an outbreak of a novel strain of coronavirus (COVID-19), originated in Wuhan, China, and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including Washington, have declared a public health state of emergency, ordering the public to stay at home, closing specified businesses, and requiring social distancing measures for most public and private facilities.

It is anticipated that the effects of these events will continue for some time, including continuing disruptions to, or restrictions on, our employees' ability to work and on the ability of our patrons, customers and other constituents to fully participate in our programs and continue their current level of financial support to the organization. Future financial impacts on the organization are not readily determinable.

The organization continues to take measures to adapt the delivery of its programming in order to keep its employees and constituents safe, as well as facilitate ongoing availability of its services, and execution of its mission.

## 24. Reclassification of 2019 Comparative Totals

Certain 2019 amounts presented herein have been reclassified to conform to the 2020 presentation.

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CLARK COUNTY FOOD BANK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2020

<b>Federal grantor/pass-through grantor/program or cluster title</b>	<b>Pass-through entity identifying number</b>	<b>Federal CFDA number</b>	<b>Provided to subrecipients</b>	<b>Total federal expenditures</b>
<b>U. S. Department of Agriculture:</b>				
<i>Passed through the Washington State Department of Agriculture:</i>				
Emergency Food Assistance Program Cluster:				
The Emergency Food Assistance Program (Administrative Costs)	K2164	10.568	\$ 1,391	2,913
The Emergency Food Assistance Program (Administrative Costs)	K2763	10.568	–	108,154
The Emergency Food Assistance Program (Food Commodities)	K2164	10.569	116,410	133,050
The Emergency Food Assistance Program (Food Commodities)	K2763	10.569	555,662	708,057
Total Emergency Food Assistance Program Cluster			673,463	952,174
Trade Mitigation Program (Administrative Costs and Food Commodities)	K2164	10.178	699,420	908,242
Trade Mitigation Program (Administrative Costs and Food Commodities)	K2763	10.178	517,728	686,836
Total Trade Mitigation Program			1,217,148	1,595,078
Total U.S. Department of Agriculture			1,890,611	2,547,252
<b>U. S. Department of the Treasury:</b>				
<i>Passed through the Washington State Department of Agriculture:</i>				
Coronavirus Relief Fund	K2719	21.019	27,076	126,473
Total U.S. Department of the Treasury			27,076	126,473
<b>U. S. Department of Homeland Security:</b>				
Emergency Food and Shelter National Board Program	n/a	97.024	–	75,000
Total U.S. Department of Homeland Security			–	75,000
<b>U. S. Department of Health and Human Services:</b>				
<i>Passed through Clark County:</i>				
Community Services Block Grant	2019-CSBG-02	93.569	–	45,000
Total U.S. Department of Health and Human Services			–	45,000
Total expenditures of federal awards			\$ 1,917,687	2,793,725

See accompanying notes to schedule of expenditures of federal awards.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2020

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Clark County Food Bank under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2, *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of Clark County Food Bank, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Clark County Food Bank.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

Clark County Food Bank elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

*The Board of Directors  
Clark County Food Bank:*

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clark County Food Bank, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Clark County Food Bank's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clark County Food Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of Clark County Food Bank's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Clark County Food Bank's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in black ink that reads "Campbell & Co. LLP". The signature is written in a cursive style.

November 20, 2020

**REPORTS OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

*The Board of Directors  
Clark County Food Bank:*

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

We have audited Clark County Food Bank's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Clark County Food Bank's major federal programs for the year ended June 30, 2020. Clark County Food Bank's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

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

*Auditor's Responsibility*

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

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

*Opinion on Each Major Federal Program*

In our opinion, Clark County Food Bank complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.



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

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

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

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

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

Handwritten signature in black ink that reads "Campbell & Co. LLP". The signature is written in a cursive, flowing style.

November 20, 2020

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2020

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**Section 1 – Summary of Auditor’s Results**

*Financial Statements*

1. Type of auditor’s report issued on whether the audited financial statements were prepared in accordance with GAAP – **unmodified**
2. Significant deficiency(ies) in internal control identified in the audit of the financial statements – **none reported**
3. Material weakness(es) in internal control identified in the audit of the financial statements – **none**
4. Noncompliance that is material to the financial statements noted – **none**

*Federal Awards*

5. Significant deficiency(ies) in internal control over major federal programs identified in the audit – **none reported**
6. Material weakness(es) in internal control over major federal programs identified in the audit – **none**
7. The type of auditor’s report issued on compliance for major federal programs – **unmodified**
8. Audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) – **none**

*Identification of Major Federal Programs*

- **U.S. Department of Agriculture, Food Distribution Cluster (CFDA Nos. 10.568 and 10.569)**
  - **U.S. Department of Agriculture, Trade Mitigation Program (CFDA No. 10.178)**
9. Dollar threshold used to distinguish between Type A and Type B programs – **\$750,000**
  10. Is the auditee qualified as a low-risk auditee under 2 CFR 200.520? – **yes**

**Section 2 – Financial Statement Findings**

11. Findings relating to the financial statements reported in accordance with *Government Auditing Standards* – **none**

**Section 3 – Federal Award Findings and Questioned Costs**

12. Findings and questioned costs relating to federal awards – **none**

CLARK COUNTY FOOD BANK

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

YEAR ENDED JUNE 30, 2020

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**Finding 2019-001: Adjustments to the inventory management system were not being reviewed and analyzed prior to being posted to the general ledger (significant deficiency over financial reporting).**

*Status:* Done.

CLARK COUNTY FOOD BANK

**GOVERNING BOARD AND MANAGEMENT**

JUNE 30, 2020

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**Board of Directors**

Brett Bryant, *Chair*  
David Bristol, *Secretary*  
Russell Price, *Treasurer*  
Carrie Cofer  
Steve Hansen  
Mindy Harter  
Scott Huotari  
Joe Pauletto  
Scott Salsbery  
Elson Strahan  
Jim Youde

**Management**

Alan Hamilton, *President*  
Emily Kaleel, *Director of Programs*  
Holly Jones, *Development Manager*  
Alison Lauderdale, *Education Manager*  
Alicia Flintoff, *Office Manager*  
Brent Derocher, *Warehouse Manager*

CLARK COUNTY FOOD BANK

**INQUIRIES AND OTHER INFORMATION**

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**Administrative offices**

CLARK COUNTY FOOD BANK  
6502 N.E. 47th Avenue  
Vancouver, Washington 98661

(360) 693-0939

**Web**

[www.clarkcountyfoodbank.org](http://www.clarkcountyfoodbank.org)

