



Clark County Food Bank

Financial Statements, Single Audit Reports, and Other
Information as of and for the Year Ended June 30, 2023
and Reports 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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Clark County Food Bank, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Clark County Food Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in note 3 to the accompanying financial statements, in 2023, Clark County Food Bank adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), as amended. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clark County Food Bank's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clark County Food Bank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clark County Food Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

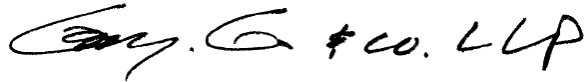
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards on page 22, as required by Title 2, *U.S. Code of Federal Regulations* (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 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 22, 2023 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 that reads "Cary G. & Co. LLP". The signature is written in a cursive, flowing style.

November 22, 2023

CLARK COUNTY FOOD BANK
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023
(WITH COMPARATIVE AMOUNTS FOR 2022)

	2023	2022
Assets:		
Cash and cash equivalents	\$ 1,291,296	5,337,360
Contributions and grants receivable <i>(note 5)</i>	1,463,906	666,409
Investments <i>(note 6)</i>	16,352,464	10,014,872
Beneficial interest in assets held by The Community		
Foundation for Southwest Washington <i>(note 7)</i>	21,919	19,800
Inventories <i>(note 8)</i>	804,007	633,828
Prepaid expenses	44,594	72,605
Deposits toward tenant improvements and lease <i>(note 11)</i>	1,186,284	-
Right-of-use asset – operating lease <i>(note 11)</i>	166,001	-
Property and equipment <i>(note 9)</i>	4,616,338	4,828,195
Total assets	\$25,946,809	21,573,069
Liabilities:		
Accounts payable and accrued expenses	84,403	26,168
Accrued payroll and related expenses	104,104	156,954
Refundable advances	24,500	5,000
Lease liabilities – operating lease <i>(note 11)</i>	163,394	-
Total liabilities	376,401	188,122
Net assets:		
Without donor restrictions:		
Available for programs and general operations	7,434,662	4,778,875
Board-designated expendable fund <i>(note 7)</i>	21,919	19,800
Board-designated capacity fund <i>(note 6)</i>	2,052,281	2,002,121
Board-designated for Vision Center Capacity Campaign	170,447	-
Board-designated quasi-endowment fund <i>(notes 6 and 12)</i>	8,778,345	8,012,751
Net investment in capital assets and deposits toward tenant improvements and lease	5,802,622	4,828,195
Total without donor restrictions	24,260,276	19,641,742
With donor restrictions <i>(note 13)</i>	1,310,132	1,743,205
Total net assets	25,570,408	21,384,947
Commitments and contingencies <i>(notes 5, 9, 10, 11, 18, and 19)</i>		
Total liabilities and net assets	\$25,946,809	21,573,069

See accompanying notes to financial statements.

CLARK COUNTY FOOD BANK

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023			2022
	Without donor restrictions	With donor restrictions	Total	
Operating Revenues, gains, and other support:				
Contributions and grants	\$ 3,871,261	558,350	4,429,611	4,235,980
Government grants (<i>note 14</i>)	1,313,004	14,285	1,327,289	863,649
Donated food (<i>note 4</i>)	11,500,030	–	11,500,030	9,865,133
Other in-kind donations (<i>note 4</i>)	40,296	–	40,296	40,296
Special events, net of direct costs of \$109,096 in 2023 and \$55,882 in 2022 ^[A]	65,967	200,450	266,417	155,838
Net change in beneficial interest in assets held by The Community Foundation for Southwest Washington (<i>note 7</i>)	1,119	–	1,119	(3,254)
Investment return (<i>note 6</i>)	955,760	–	955,760	59,796
Other	141,350	–	141,350	83,308
Total operating revenues and gains	17,888,787	773,085	18,661,872	15,300,746
Net assets released from restrictions for operating purposes (<i>note 15</i>)	422,422	(422,422)	–	–
Total operating revenues, gains, and other support	18,311,209	350,663	18,661,872	15,300,746
Expenses (<i>note 16</i>):				
Program services	14,144,040	–	14,144,040	11,958,895
Management and general	208,818	–	208,818	229,608
Fundraising	545,793	–	545,793	461,605
Total expenses	14,898,651	–	14,898,651	12,650,108
Increase in net assets before non-operating activities	3,412,558	350,663	3,763,221	2,650,638
Non-operating activities:				
Contributions and grants restricted for capital purposes	–	422,240	422,240	1,214,968
Net assets released from restrictions for capital purposes (<i>note 15</i>)	1,205,976	(1,205,976)	–	–
Total non-operating activities	1,205,976	(783,736)	422,240	1,214,968
Increase (decrease) in net assets	4,618,534	(433,073)	4,185,461	3,865,606
Net assets at beginning of year	19,641,742	1,743,205	21,384,947	17,519,341
Net assets at end of year	\$24,260,276	1,310,132	25,570,408	21,384,947

See accompanying notes to financial statements.

[A] Net event proceeds of \$200,450 are restricted for the Vision Center Capacity Campaign.

CLARK COUNTY FOOD BANK
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023			Total	2022
	Program services	Supporting services Management and general Fundraising			
Food distribution:					
Food distribution	\$ 11,619,872	-	-	11,619,872	9,650,884
Food purchases and shrinkage	485,528	-	-	485,528	652,022
Total food distribution expenses	12,105,400	-	-	12,105,400	10,302,906
Operating expenses:					
Salaries and related expenses	1,155,780	77,245	302,603	1,535,628	1,327,989
Stakeholder development and meetings	70,611	14,825	11,413	96,849	56,207
Occupancy	150,429	1,952	2,415	154,796	146,189
Donor outreach	2,869	3	133,967	136,839	117,729
Professional services	15,964	78,799	4,270	99,033	100,894
Information technology	43,205	19,857	13,986	77,048	62,102
Warehouse operations	34,083	-	-	34,083	24,718
Maintenance and improvements	68,092	774	989	69,855	80,671
Contracted labor	165,100	-	4,710	169,810	17,683
Insurance	46,209	7,413	1,460	55,082	48,539
Equipment	15,879	176	480	16,535	15,270
Office expense	11,941	1,133	15,133	28,207	24,217
Farming	60	-	-	60	13,616
Credit card fees and other expenses	29,363	1,290	47,784	78,437	54,077
Total operating expenses	1,809,585	203,467	539,210	2,552,262	2,089,901
Total expenses before depreciation and amortization	13,914,985	203,467	539,210	14,657,662	12,392,807
Depreciation and amortization	229,055	5,351	6,583	240,989	257,301
Total expenses	\$ 14,144,040	208,818	545,793	14,898,651	12,650,108

See accompanying notes to financial statements.

CLARK COUNTY FOOD BANK

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
Cash flows from operating activities:		
Cash received from contributors, grantors, and others	\$ 5,332,164	5,644,440
Cash paid to employees, suppliers, and others	(3,302,005)	(2,295,406)
Deposit toward future lease <i>(note 11)</i>	(1,000,000)	–
Interest income received	271,136	55,059
Cash paid for amounts included in the measurement of operating lease obligation	(8,925)	–
Net cash provided by operating activities	1,292,370	3,404,093
Cash flows from investing activities:		
Purchase of capital assets	(29,132)	(40,769)
Deposit toward future tenant improvements associated with lease <i>(note 11)</i>	(186,284)	–
Purchase of investments	(7,403,805)	(10,000,000)
Additions to assets held by The Community Foundation for Southwest Washington	(1,000)	–
Proceeds from the sale of investments	2,013,810	–
Reinvestment of interest and dividend income	(262,973)	(10,135)
Net cash used in investing activities	(5,869,384)	(10,050,904)
Cash flows from financing activities:		
Proceeds from contributions restricted for purchases of capital assets	530,950	735,271
Net cash provided by financing activities	530,950	735,271
Net decrease in cash and cash equivalents	(4,046,064)	(5,911,540)
Cash and cash equivalents at beginning of year	5,337,360	11,248,900
Cash and cash equivalents at end of year	\$ 1,291,296	5,337,360

Supplemental schedule of cash flow information:

Right-of-use asset obtained in exchange for new operating lease obligation	\$ 172,319	–
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See accompanying notes to financial statements.

CLARK COUNTY FOOD BANK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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, 2023, 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 47 partners at 100+ distribution sites. During the 2023 fiscal year, the organization distributed about 6.7 million pounds of food products to partner agencies, resulting in over 110,000 individuals receiving food at our distributions and 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 Elementary School Tours, I-Tech Day, 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 and Gleaning – 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 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 Standard

In February of 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which requires lessees to record right-of-use ("ROU") assets and related lease obligations on the statement of financial position for all leases with a term longer than 12 months. Effective July 1, 2022, the organization adopted ASU No. 2016-02, as amended.

At the time of adoption, and in accordance with ASU 2016-02, the organization elected the package of practical expedients to not reassess: 1) whether any expired or existing contracts are or contain a lease, 2) lease classification for any expired or existing leases, and 3) whether previously capitalized initial direct costs would qualify for capitalization under Topic 842. The organization has also elected the short-term lease exemption policy which permits an organization to not recognize leases, at the commencement date, with a lease term of 12 months or less in its statement of financial position. The organization uses a risk-free rate at lease commencement date for discounting leases, and has elected not to separate lease and non-lease components in the calculation of the ROU assets and lease obligations.

The organization elected the modified retrospective transition approach with the cumulative effect of application recognized at the effective date of adoption and comparative periods are not adjusted.

On the date of adoption, the organization did not have any significant leases recorded. However, during the fiscal year 2023, the organization entered into a 5-year lease, which was recorded in accordance with Topic 842. See note 11.

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.

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 appreciation (decline) in the fair value of investments (both the realized gains or losses and the unrealized appreciation (decline) of those 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.

The organization 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 (\$1.83 per pound for the year ended June 30, 2023). 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, 2023, 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, 2023.

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 donor's 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, 2023, the organization recorded the following in-kind contributions:

Donated food	\$ 11,500,030
Information technology services	36,000
Software	4,296
	<hr/>
	11,540,326
Special event supplies	54,892
	<hr/>
	\$ 11,595,218
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Donated food is used in providing program services and its value is determined based on poundage and the nationally-calculated average, per-pound value (\$1.83 per pound for the year ended June 30, 2023). Food donations received from the United States Department of Agriculture (“USDA”) are based on a per case value, as stated by the USDA.

Contributed information technology services are used for management and general services. Contributed professional services are valued using current rates for similar services. Contributed software is used for management and general and is valued based on the current undiscounted price of the software. Contributed supplies for use at special fundraising events are valued at the estimated price that would be received for selling similar products in the United States. In addition, the organization received contributed items to be sold at its annual auction. Contributed auction items are valued at the gross selling price received.

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.

Measure of Operations – The organization includes in its measure of operations all revenue and expenses that are integral to its programs and supporting activities, net assets released from donor restrictions for operating purposes, and operating investment income. The measure of operations excludes contributions and grants and government grants for capital purposes and net assets released from donor restrictions for capital purposes.

Concentrations of Credit Risk – The organization’s financial instruments consist primarily of cash equivalents, investments, 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, 2023, the organization held \$1,323 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 22, 2023, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2022 – The accompanying financial information as of and for the year ended June 30, 2022 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. Contributions and Grants Receivable

Contributions and grants receivable at June 30, 2023 are summarized as follows:

Private grants and contributions ¹	\$ 859,095
Government grants	623,065
	<hr/> 1,482,160
Less unamortized discount	(18,254)
	<hr/> \$ 1,463,906

*Unconditional promises
expected to be collected in:*

Less than one year	\$ 1,222,660
One year to five years	259,500
	<hr/> \$ 1,482,160

¹ Includes \$624,500 for the Vision Center Capacity Campaign.

Conditional Grants

In addition, at June 30, 2023, Clark County Food Bank had \$252,516 in grants available for future periods, the recognition of which is conditioned upon the incurrence of allowable costs. The organization also had one top-off gift of \$200,000 conditioned upon completing the Vision Center project and obtaining adequate funds to complete the project. These grants have not been included in the accompanying financial statements because the associated conditions had yet to be satisfied as of June 30, 2023.

6. Investments and Investment Return

At June 30, 2023, investments carried at fair value consisted of the following:

Cash equivalents	\$ 3,207,941
Equities	5,263,431
Fixed income	7,735,532
Alternative investments	145,560
	<hr/> \$ 16,352,464

Investments are held for the following purposes:

Designated by Board for Quasi-endowment (<i>note 11</i>)	\$ 8,778,345
Designated by Board for capacity fund	2,052,281
Operations	5,521,838
	<hr/> \$ 16,352,464

Investment return for the year ended June 30, 2023 is summarized as follows:

Interest and dividends ¹	\$ 271,136
Net increase in the fair value of investments	684,624
	<hr/> \$ 955,760

¹ Investment income is presented net of external and direct internal investment expenses.

7. 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, 2023 are summarized as follows:

Balance at beginning of year	\$ 19,800
Plus contributions to the fund	1,000
Plus increase in the fair value of the fund	1,119
<hr/>	
Balance at end of year	\$ 21,919

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.

8. Inventories

At June 30, 2023, the organization's inventory consisted of 563,943 pounds of food available for distribution, valued at \$804,007, from the following sources:

Donated by supermarkets and individuals	\$ 297,924
U.S. Department of Agriculture	53,637
Northwest Harvest	18,782
Purchased for distribution	24,819
Emergency Food Assistance program	408,845
<hr/>	
	\$ 804,007

9. Property and Equipment

A summary of property and equipment at June 30, 2023 is as follows:

Land	\$ 653,540
Building and improvements	4,961,806
Furniture and equipment	497,808
Vehicles	643,108
Leasehold improvements	69,702
Construction in progress	12,850
<hr/>	
	6,838,814
Less accumulated depreciation and amortization	(2,222,476)
<hr/>	
	\$ 4,616,338

In February of 2011, the organization received a grant from the Clark County, Washington for \$466,000 to purchase land and to build a food distribution center. The grant requires a deed of trust on the property. The terms of the Clark County agreement require that the property must be used as a food bank to serve Clark County for a period of 30 years (through March of 2041).

The organization will be liable for the repayment of the grant upon the sale, transfer, refinancing, or change in use of the property. In such event, the organization must repay to Clark County a total of \$466,000, plus a proportionate share of the appreciated value of the property. As of June 30, 2023, 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.

10. Line of Credit

At June 30, 2023, 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 (8.25% at June 30, 2023), plus 1.50%, but not less than 7.75%. The line matures in November of 2024. No balance was outstanding at June 30, 2023.

11. Leases

Clark County Food Bank leased a food pantry under an operating lease through April of 2023, which it had fully paid in 2018. This lease was modified in April 2023 and extended for 5 years through April 2028. A ROU asset and the associated lease obligation have been recorded for this lease in accordance with the standards contained in FASB ASC Topic 842, *Leases*, when the lease was modified on April 1, 2023. The lease provides a renewal option for three additional five-year terms, with each commencing the day after the expiration of the immediately preceding term. At the date of modification, Clark County Food Bank was not reasonably certain that it will exercise its second and third renewal options.

At June 30, 2023, the organization's ROU asset and corresponding lease obligation totaled \$166,001 and \$163,394, respectively.

Lease expense related to this lease totaled \$35,201 (\$6,318 related to the period after the lease modification) for the year ended June 30, 2023. The discount rate used on this lease is 3.85% and the remaining lease term is 4.8 years.

Future Lease Payments

Operating lease payments are expected to be paid for each of the following fiscal years:

<i>Years ending June 30,</i>	
2024	\$ 32,903
2025	36,955
2026	38,063
2027	39,205
2028	32,941
<hr/>	
Total lease obligation	180,067
Less present value discount	(16,673)
<hr/>	
	\$ 163,394

In addition to the above, the organization has a month-to-month lease for another food pantry with monthly payments of \$4,410 through December 31, 2022 and increasing to \$4,630 each month through December 31, 2023. Lessee and lessor can terminate the lease with 30 day written notice. Total expenses associated with this lease was \$54,243 for the year ended June 30, 2023.

Future Lease Commitment

On June 28, 2021, Clark County Food Bank entered into a 10-year lease for a new warehouse and food pantry space. The warehouse and food pantry will be constructed by the landlord. In exchange for reduced rent, Clark County Food Bank will make an initial payment of \$1,000,000. The organization will also make another payment of \$186,284 for planned tenant improvements. Both payments totaling \$1,186,284 were made on October 17, 2022. The 10-year lease term will begin when construction is completed and a temporary Certificate of Occupancy has been received, at which time annual rent will begin totaling \$71,040 for the first year, with a 2% per annum increase thereafter. Future payments for this lease will total \$777,869.

12. Board-Designated Quasi-Endowment

At June 30, 2023, net assets without donor restrictions have been designated by the Board of Directors for quasi-endowment to support general operations. The funds are invested in a mix of equities, treasury bonds, corporate bonds and cash equivalents designed to maximize return, while minimizing risk. Board-designated quasi-endowment activities for the year ended June 30, 2023 are summarized as follows:

Quasi-endowment net assets, at beginning of year	\$ 8,012,751
Net investment return	765,594
<hr/>	
Quasi-endowment net assets, at end of year	\$ 8,778,345

13. Net Assets with Donor Restrictions

The following summarizes Clark County Food Bank's net assets with donor-imposed restrictions as of June 30, 2023:

Expendable net assets restricted for the following purposes:

Vision Center Capacity Campaign	\$ 960,416
SNAP Application Assistance Program	21,551
AmeriCorps	21,250
Food purchases and distribution	39,203
Community Kitchen	5,847
Leadership reengagement	4,096
Other purposes	23,173

1,075,536

Expendable net assets restricted as to time:

Pledges for future periods	234,596
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Total net assets with donor restrictions	\$ 1,310,132
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14. Government Grants

During the year ended June 30, 2023, the organization received grants provided under agreements with the following:

Washington State Department of Agriculture	\$ 601,343
U.S. Department of Agriculture ¹	89,340
U.S. Department Homeland Security ²	10,000
U.S. Department of the Treasury ¹	586,607
U.S. Department of Health and Human Services ³	25,000
WSU – Future Leaders Project	4,285
Area Agency on Aging and Disabilities of Southwest Washington	10,714
<hr/>	
	\$ 1,327,289

¹ Passed through Washington State Department of Agriculture.

² Passed through The United Way.

³ Passed through Clark County.

In addition, during the year ended June 30, 2023, the organization received \$1,427,329 in donated food from the U. S. Department of Agriculture's Emergency Food Assistance Program, which was passed through the Washington State Department of Agriculture.

15. Net Assets Released from Restrictions

During the year ended June 30, 2023, \$1,628,398 in total 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. Total net assets released from restrictions are summarized as follows:

Satisfaction of restrictions:

For operating purposes	\$ 422,422
For capital purposes	1,205,976

\$ 1,628,398

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, 2023:

<i>Total financial assets:</i>	
Cash and cash equivalents	\$ 1,291,296
Contributions and grants receivable	1,463,906
Investments	16,352,464
Beneficial interest in assets held at The Community Foundation for Southwest Washington	21,919
	19,129,585
<i>Less financial assets not available within the year ending June 30, 2024:</i>	
Financial assets designated by the Board	(11,022,992)
Financial assets restricted for capacity expansion	(960,416)
Financial assets collectible in more than one year	(97,000)
	(12,080,408)
	\$ 7,049,177

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 10).

In addition, Clark County Food Bank holds Board-designated unrestricted funds totaling \$11,022,992 (see accompanying statement of financial position for details) at June 30, 2023. Although the organization does not intend to spend from its board-designated funds, amounts from the funds could be made available, if necessary.

18. Retirement Plan

The organization maintains 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 \$54,974 for the year ended June 30, 2023.

19. 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.

20. 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, 2023, the following financial assets are measured at fair value on a recurring basis:

	Level 1	Level 3	Total
Investments (<i>note 6</i>)	\$ 16,352,464	—	16,352,464
Beneficial interest in assets held by The Community Foundation for Southwest Washington ¹	—	21,919	21,919
	\$ 16,352,464	21,919	16,374,383

¹ See note 7 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, 2023.

21. 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	\$ 4,185,461
<hr/>	
<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>	
Depreciation and amortization	240,989
Proceeds from contributions restricted for purchases of capital assets	(530,950)
Net increase in the fair value of investments	(684,624)
Deposit toward future lease	(1,000,000)
Net change in beneficial interest in assets held by The Community Foundation for Southwest Washington	(1,119)
Amortization of ROU asset – operating lease	6,318
<i>Net changes in:</i>	
Contributions and grants receivable	(797,497)
Inventories	(170,179)
Prepaid expenses	28,011
Accounts payable and accrued expenses	58,235
Accrued payroll and related expenses	(52,850)
Refundable advances	19,500
Lease obligation – operating lease	(8,925)
<hr/>	
Total adjustments	(2,893,091)
<hr/>	
Net cash provided by operating activities	\$ 1,292,370
<hr/>	

22. Reclassification of 2022 Comparative Totals

Certain 2022 amounts presented herein have been reclassified to conform to the 2023 presentation.

CLARK COUNTY FOOD BANK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Pass-through entity identifying number	Federal Assistance Listing no.	Provided to subrecipients	Total federal expenditures
U. S. Department of Agriculture: <i>Passed through the Washington State Department of Agriculture:</i> Food Distribution Cluster:				
Emergency Food Assistance Program (Administrative Costs)	K2763	10.568	\$ -	87,738
Emergency Food Assistance Program (Food Commodities)	K2763	10.569	1,244,783	1,598,323
Total Food Distribution Cluster			1,244,783	1,686,061
<i>Passed through the Washington State Department of Agriculture:</i> Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	K4286	10.182	1,058	1,602
Total U.S. Department of Agriculture			1,245,841	1,687,663
U. S. Department of the Treasury: <i>Passed through the Washington State Department of Agriculture:</i> COVID-19 Coronavirus State and Local Fiscal Recovery Funds	K3478	21.027	18,381	576,579
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	K3895	21.027	-	10,028
Total U.S. Department of the Treasury (ALN 21.027)			18,381	586,607
U. S. Department of Homeland Security: <i>Passed through United Way:</i> Emergency Food and Shelter National Board Program	N/A	97.024	-	10,000
Total U.S. Department of Homeland Security			-	10,000
U. S. Department of Health and Human Services: <i>Passed through Clark County:</i> 477 Cluster: COVID-19 Community Services Block Grant 2020-CSBG-CV02		93.569	-	25,000
Total U.S. Department of Health and Human Services (Total 477 Cluster)			-	25,000
Total expenditures of federal awards			\$ 1,264,222	2,309,270

See accompanying notes to schedule of expenditures of federal awards.

CLARK COUNTY FOOD BANK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

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, 2023. 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.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between Clark County Food Bank and agencies and departments of the Federal Government and all sub-awards to the organization by non-federal organizations pursuant to federal grants, contracts and similar agreements.

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.



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, 2023, 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 22, 2023.

Report on 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”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

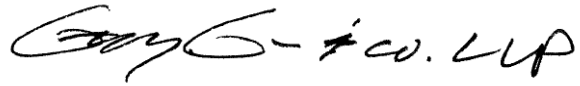
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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.

A handwritten signature in black ink that reads "CGS & CO. LLP". The signature is written in a cursive, flowing style.

November 22, 2023

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

Opinion on Each Major Federal Program

We have audited Clark County Food Bank's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Clark County Food Bank's major federal programs for the year ended June 30, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of Clark County Food Bank and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Clark County Food Bank's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Clark County Food Bank's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Clark County Food Bank's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Clark County Food Bank's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Clark County Food Bank's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Clark County Food Bank's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Clark County Food Bank's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

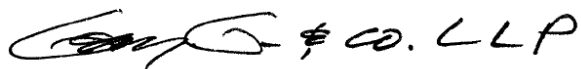
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



November 22, 2023

CLARK COUNTY FOOD BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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 (Assistance Listing Nos. 10.568 and 10.569)
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, 2023

There were no findings in the prior year audit.

CLARK COUNTY FOOD BANK
GOVERNING BOARD AND MANAGEMENT

JUNE 30, 2023

Board of Directors

Elson Strahan, *Chair*

Bryon Van Kley, *Vice Chair*

Brett Bryant, *Immediate Past Chair*

Mindy Harter, *Secretary*

Russell Price, *Treasurer*

David Bristol

Liz Cattin

Carrie Cofer

Steve Hansen

Scott Huotari

Scott Salsbery

Jim Youde

Joe Pauletto, *Emeritus*

Management

Alan Hamilton, *President*

Kieran Collins, *Warehouse Manager*

Brent Derocher, *Technical Projects Manager*

Alicia Flintoff, *Office Administration Director*

Kyle Hamilton, *Program Manager*

Alison Lauderdale, *Director of Community Programs*

Christina Stewart, *Director of Development*

Emily Straw, *Director of Technical Program Support*

CLARK COUNTY FOOD BANK
INQUIRIES AND OTHER INFORMATION

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