

Food in Need of Distribution, Inc.

dba FIND Food Bank

Financial Statements
and Single Audit Reports and Schedules

June 30, 2021

(With Comparative Totals for 2020)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Food in Need of Distribution, Inc.
dba FIND Food Bank
Indio, California

We have audited the accompanying financial statements of Food in Need of Distribution, Inc. dba FIND Food Bank (a California nonprofit corporation) ("FIND"), which comprise the statement of financial position as of June 30, 2021, 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 Food in Need of Distribution, Inc. dba FIND Food Bank as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



An independent firm
associated with Moore
Global Network Limited

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022, on our consideration of FIND's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of FIND'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 FIND's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Food in Need of Distribution, Inc. dba FIND Food Bank's 2020 financial statements, and our report dated December 4, 2020 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Armanino^{LLP}
San Jose, California

March 7, 2022

Food in Need of Distribution, Inc.
dba FIND Food Bank
Statement of Financial Position
June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,636,142	\$ 4,601,420
Agency receivables	11,780	53,338
Grants and contributions receivable	474,874	423,383
Inventory	3,644,058	1,251,621
Prepays and other current assets	69,456	242,629
Total current assets	11,836,310	6,572,391
Non-current assets		
Property and equipment, net	7,221,029	4,682,021
Deposits	1,500	1,500
Total non-current assets	7,222,529	4,683,521
Total assets	\$ 19,058,839	\$ 11,255,912
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 125,313	\$ 70,645
Accrued expenses	117,551	139,516
Paycheck Protection Program forgivable loan	224,945	224,945
Note payable, current portion	70,709	64,236
Total current liabilities	538,518	499,342
Long-term liabilities		
Note payable, net of current portion	980,113	1,054,114
Capital lease obligations	15,828	18,152
Total long-term liabilities	995,941	1,072,266
Total liabilities	1,534,459	1,571,608
Net assets		
Without donor restrictions		
Undesignated	3,044,351	3,140,039
Board designated - operating reserve	1,000,000	-
Board designated - disaster reserve	1,000,000	-
Board designated - capital reserve	1,000,000	-
Inventory	3,644,058	1,251,621
Net investment in property and equipment	7,221,029	4,682,021
Total without donor restrictions	16,909,438	9,073,681
With donor restrictions		
	614,942	610,623
Total net assets	17,524,380	9,684,304
Total liabilities and net assets	\$ 19,058,839	\$ 11,255,912

The accompanying notes are an integral part of these financial statements.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Statement of Activities
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Support and revenue				
Contributions in-kind food - non-government	\$ 31,830,662	\$ -	\$ 31,830,662	\$ 20,076,761
Government support - in-kind food	17,220,073	-	17,220,073	5,679,847
Grants and contributions	3,036,902	2,061,755	5,098,657	3,248,982
Government support - cash	-	4,124,634	4,124,634	2,086,946
Contributions in-kind land	1,955,000	-	1,955,000	-
Fundraising and special events	630,543	-	630,543	649,029
Other income	41,704	-	41,704	94,539
Interest income	2,276	-	2,276	11,781
Shared maintenance fees	-	-	-	131,070
Net assets released from restriction	<u>6,182,070</u>	<u>(6,182,070)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>60,899,230</u>	<u>4,319</u>	<u>60,903,549</u>	<u>31,978,955</u>
Functional expenses				
Program services				
Food distribution	35,010,718	-	35,010,718	14,974,975
Fresh produce	14,364,904	-	14,364,904	12,228,563
Community impact	1,024,488	-	1,024,488	462,472
Children's summer feeding	-	-	-	345,953
Disaster relief	<u>1,664,569</u>	<u>-</u>	<u>1,664,569</u>	<u>361,305</u>
Total program services	<u>52,064,679</u>	<u>-</u>	<u>52,064,679</u>	<u>28,373,268</u>
Support services				
Management and general	446,987	-	446,987	246,022
Fundraising	<u>551,807</u>	<u>-</u>	<u>551,807</u>	<u>435,415</u>
Total support services	<u>998,794</u>	<u>-</u>	<u>998,794</u>	<u>681,437</u>
Total functional expenses	<u>53,063,473</u>	<u>-</u>	<u>53,063,473</u>	<u>29,054,705</u>
Change in net assets (Note 3)	7,835,757	4,319	7,840,076	2,924,250
Net assets, beginning of year	<u>9,073,681</u>	<u>610,623</u>	<u>9,684,304</u>	<u>6,760,054</u>
Net assets, end of year	<u>\$ 16,909,438</u>	<u>\$ 614,942</u>	<u>\$ 17,524,380</u>	<u>\$ 9,684,304</u>

The accompanying notes are an integral part of these financial statements.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Statement of Functional Expenses
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Food Distribution	Fresh Produce	Community Impact	Disaster Relief	Total Program Services	Management and General	Fundraising	2021 Total	2020 Total
Personnel expenses									
Salaries and wages	\$ 452,439	\$ 180,902	\$ 342,882	\$ -	\$ 976,223	\$ 234,294	\$ 235,730	\$ 1,446,247	\$ 1,243,110
Employee benefits	84,499	33,815	26,818	209,644	354,776	25,446	19,498	399,720	157,389
Payroll taxes	33,105	13,249	26,189	18,224	90,767	27,416	15,588	133,771	107,742
Total personnel expenses	<u>570,043</u>	<u>227,966</u>	<u>395,889</u>	<u>227,868</u>	<u>1,421,766</u>	<u>287,156</u>	<u>270,816</u>	<u>1,979,738</u>	<u>1,508,241</u>
Donated food and supplies distributed	33,322,468	13,335,831	-	-	46,658,299	-	-	46,658,299	25,600,582
Purchased food and supplies distributed	411,532	366,816	-	1,371,872	2,150,220	-	-	2,150,220	678,686
Supplies and materials	40,327	16,038	461,867	15,925	534,157	1,072	2,213	537,442	50,409
Depreciation	180,246	80,109	60,082	-	320,437	40,055	40,055	400,547	255,664
Shipping and freight	107,405	147,758	-	4,040	259,203	-	-	259,203	153,614
Transportation and vehicles	120,655	59,695	28,929	1,562	210,841	2,477	-	213,318	166,721
Occupancy costs	77,815	33,920	22,170	35,306	169,211	14,780	14,779	198,770	89,786
Direct mail and advertising	10,577	4,233	-	-	14,810	81	150,582	165,473	133,240
Repairs and maintenance	45,277	18,809	5,247	6,632	75,965	3,458	3,498	82,921	95,413
Telephone and computers	29,594	12,983	14,939	551	58,067	9,038	11,882	78,987	40,186
Professional services	3,996	1,776	2,022	-	7,794	51,048	888	59,730	47,807
Interest	22,581	10,036	7,527	-	40,144	5,018	5,018	50,180	53,359
Insurance	21,555	9,580	7,185	-	38,320	6,895	4,790	50,005	44,118
Office expenses	19,798	7,119	2,892	642	30,451	7,920	10,501	48,872	34,220
Bank charges and other fees	-	-	-	171	171	4,630	32,368	37,169	25,325
Travel and meeting expenses	8,231	1,727	15,633	-	25,591	8,175	1,677	35,443	44,604
Contract labor	18,301	7,324	-	-	25,625	5,064	2,400	33,089	18,474
Member fees	317	23,184	106	-	23,607	120	340	24,067	14,256
	<u>\$ 35,010,718</u>	<u>\$ 14,364,904</u>	<u>\$ 1,024,488</u>	<u>\$ 1,664,569</u>	<u>\$ 52,064,679</u>	<u>\$ 446,987</u>	<u>\$ 551,807</u>	<u>\$ 53,063,473</u>	<u>\$ 29,054,705</u>
Percentage of total	<u>66.0 %</u>	<u>27.1 %</u>	<u>1.9 %</u>	<u>3.1 %</u>	<u>98.1 %</u>	<u>0.9 %</u>	<u>1.0 %</u>	<u>100.0 %</u>	

The accompanying notes are an integral part of these financial statements.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Statement of Cash Flows
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 7,840,076	\$ 2,924,250
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	400,547	255,664
In-kind contributions of food (including government)	(49,050,735)	(25,756,608)
Distribution of food received in-kind	46,658,299	25,600,582
In-kind contribution of land	(1,955,000)	-
Changes in operating assets and liabilities		
Agency receivables	41,558	(422,081)
Grants and contributions receivable	(51,491)	12,578
Inventory	-	(156,026)
Prepays and other current assets	173,173	(19,416)
Accounts payable	54,668	25,515
Accrued expenses	(21,965)	67,904
Net cash provided by operating activities	4,089,130	2,532,362
Cash flows from investing activities		
Purchase of property and equipment	(984,556)	(478,771)
Net cash used in investing activities	(984,556)	(478,771)
Cash flows from financing activities		
Proceeds from Paycheck Protection Program refundable loan	-	224,945
Proceeds from capital lease obligations	-	18,152
Principal payments on capital lease	(2,324)	-
Principal payments on note payable	(67,528)	(64,349)
Net cash provided by (used in) financing activities	(69,852)	178,748
Net increase in cash and cash equivalents	3,034,722	2,232,339
Cash and cash equivalents, beginning of year	4,601,420	2,369,081
Cash and cash equivalents, end of year	\$ 7,636,142	\$ 4,601,420

Supplemental disclosure of cash flow information

Cash paid during the year for interest	\$ 50,180	\$ 53,359
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The accompanying notes are an integral part of these financial statements.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

1. NATURE OF OPERATIONS

Food In Need of Distribution, Inc. dba FIND Food Bank ("FIND") is a nonprofit 501(c)(3) organization incorporated in 1983. FIND is the trusted leader dedicated to ending hunger in the Coachella Valley Desert Region of the state. Since its inception, FIND has become one of the larger food banks in California, and is now recognized as the Desert's Regional Food Bank. In its service area, FIND is the largest hunger relief organization and also the largest food rescue organization, providing food to an average of more than 150,000 people each month. FIND mobilizes individuals, companies and community partners to equitably connect people to the nutritious food they need. Over 25% of the food distributed is fresh produce. FIND also plays a leading role in promoting federal nutrition programs and educating families on how to make better food choices.

As part of its determination to ensure that every person who needs a meal gets a meal, FIND's strategic plan focuses on the following areas:

- *Efficiency* - Optimizing the food supply chain to maximize impact with clients its serves;
- *Outreach* - Using a hands-on approach to connect the food insecure to food and other resources that can support them increasing their self-sufficiency, and;
- *Leadership* - Leading and educating the community as an expert in the issue of hunger.

FIND measures its success based on equitably increasing the number of meals provided to hungry households in the community, reducing the cost per pound of food distributed, and maintaining or improving the nutritional quality of the food provided.

FIND procures food donations from a number of channels including local manufacturers, growers, and retailers; corporate and community food drives; government food programs such as United States Department of Agriculture ("USDA") and United States Department of the Treasury ("USDT"); and the California Association of Food Banks' Farm to Family Program, which provides large volumes of fresh fruits and vegetables. In the most recent fiscal year, FIND spent approximately \$756,000 procuring, packing and transporting produce to supplement donated items, ensuring nutritious meals to an average 150,000 people each month. This amount has been recorded as purchased food and supplies distributed in the accompanying statement of functional expenses. Of the 27.9 million pounds of food distributed, 28.5% was fresh produce and vegetables. FIND provides food through its direct-distribution sites and by supplying food to partnering nonprofit agencies at more than 150 different food distribution sites. In addition, local households signed up by FIND for food stamps benefits (under the Supplemental Nutrition Assistance Program (SNAP)) were able to obtain approximately 1.3 million additional pounds of food by virtue of that successful outreach effort. The incremental food provided via FIND's efforts - both via direct distribution and public outreach - totaled approximately 29.2 million pounds, translating into approximately 24.1 million meals to the community in one year.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

2. PROGRAM SERVICES

FIND offers three major categories of program services to the community. The suite of programs is designed to help support food insecure individuals transition from their dependency on core food distribution programs to self-sufficiency in feeding themselves, with a strong understanding that all individuals' situation has a unique set of circumstances. For each individual how they utilize FIND programs within this program impact framework is dependent on the client's situational needs. FIND recognizes, appreciates and respects these factors and supports clients for any length of time needed to ensure their primal needs of food intake for health is met.

Ending Hunger for Today Programs

This suite of programs is designed to provide access to clients' core needs of healthy foods through food distribution sites to be able to survive and have the ability to thrive.

- *Agency Partners* - FIND collaborates with community-based organizations to help supply their food pantries and food distributions at more than 100 different distribution sites for low-income members of the community. Types of partners include soup kitchens, religious organizations, homeless shelters and low income housing complexes.
- *FIND Free Community Mobile Markets ("FCMM")* - FIND offers 44 direct food distribution service programs per month to low income geographic locations that have very limited access to affordable food sources (aka "Food Deserts") and/or heavily impacted low income communities whose affordable food sources and agency partners are not ample enough to supply the food need to adequately feed that community. Partners engaged in FIND's direct distributions include low income housing complexes, schools, community centers, senior centers, business and city owned parking lots. Distributions are focused on either general community food distributions, child specific and/or senior specific food distributions.
- *The Emergency Food Assistance Program ("TEFAP")* - The emergency food assistance program is the federal USDA food commodities program administered through the State of California. As a contractor to the state of California for this program, FIND utilizes 19 of its agency partners' network and its 44 FCMM's to ensure the equitable distribution of these food items to the community. TEFAP accounts for approximately 28.6% of FIND's food supply.
- *Disaster Food Distribution* - FIND is the Coachella Valley Desert's Regional Food Bank recognized by both the state and county as the main supplier of disaster food distribution to the community.
- *Home Delivery Program* - Many older adults are homebound due to inability to drive, lack of transportation, or the inability to travel by themselves. To ensure these seniors receive the proper nutrition necessary for a healthier life, FIND Food Bank Client Services team members conduct an intake, determine eligibility, and then, deliver a food box to qualifying older adults.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

2. PROGRAM SERVICES (continued)

Ending Hunger for Tomorrow Programs

This suite of programs is designed to support clients' access to food through other programs besides direct food distributions. The purpose of these programs is to support the clients increased self-sufficiency to accessing food to help them thrive.

- *CalFresh Outreach* - FIND's core program in the Ending Hunger for Tomorrow Programs suite, is a client outreach program that provides education, application and enrollment support for clients to access USDA CalFresh benefits to purchase food at local grocery stores. During the year ended June 30, 2021, FIND enrolled 1,616 clients in this program.
- *Community Health Workers ("CHW")* - FIND's CHW program is designed to help clients access other support services that can help provide monetary support in other areas such as rental and utility assistance, MediCal insurance, job training and placement services, freeing up resources to help them purchase food independently.

Ending Hunger for Lifetime Programs

This suite of programs is designed to support clients' access to food through other programs besides direct food distributions. The purpose of these programs is to support the clients increased self-sufficiency to accessing food to help them thrive.

- *Advocacy* - FIND advocacy serves an important role in informing stakeholders about the importance of partnership between public and private efforts to address hunger.
- *Community Nutrition Education* - FIND provides nutrition, food safety and food handling training and support materials for clients and partner agencies to ensure a lifelong understanding that through health, individuals have a better ability to achieve long term self-sufficiency.

3. CHANGE IN NET ASSETS

The positive change in net assets for the year ended June 30, 2021, is largely due to operating funds raised in response to the COVID-19 pandemic. The economic impact caused by the pandemic could last several years. The operating funds raised during the year ended June 30, 2021 will likely be used in these future years to address the ongoing need to provide hunger relief services to the community.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). FIND reports its financial position and operating activities in two classes of net assets:

- *Net assets without donor restrictions* - include those assets over which the Board of Directors has discretionary control in carrying out the organization. Under this category, FIND maintains the following net assets designated by the Board of Directors for specific purposes: inventory on hand, net investment in property and equipment, and undesignated funds available for ongoing operations.
- *Net assets with donor restrictions* - include those assets which are subject to donor restriction and for which the applicable restriction was not met as of the end of the current reporting period. FIND had no net assets subject to non-expiring donor restrictions as of June 30, 2021.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with FIND's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Cash and cash equivalents

FIND considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Agency, grants, and contributions receivable

FIND considers all agency, grants, and contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. FIND uses the direct write-off method for bad debts.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory consists of donated food and non-food items, purchased food, United States Department of Agriculture ("USDA") and United States Department of the Treasury ("USDT") commodities received from the government. Donated non-government products were valued at \$1.70 and \$1.74 per pound for the years ended June 30, 2021 and 2020, respectively. This valuation is based on a cost study conducted for Feeding America. USDA and USDT commodities received during the fiscal year ended June 30, 2021 were valued at \$1.70 per pound. Purchased food approximates actual cost and is valued utilizing first in, first out ("FIFO") method. Product purchased during the fiscal year ended June 30, 2021 and 2020, was valued at cost and averaged \$0.78 and \$0.73 per pound, respectively. For valuation purposes, all donated food, non-food items, and USDA and USDT commodities inventory are classified as Level 2 assets and all purchased food inventory is classified as a Level 1 asset.

Fair value measurements

A hierarchy has been established to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of FIND. Unobservable inputs reflect FIND's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

- *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. Such inputs include market interest rates and volatilities, spreads and yield curves.
- *Level 3* - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect FIND's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

All of FIND's assets and liabilities are classified as Level 1 with the exception of donated food. All donated non-government food and USDA and USDT food commodities inventory are classified as Level 2 assets. FIND did not have any assets or liabilities classified as Level 3.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets, which range from three to seven years for vehicles, office furniture and equipment, and 39 years for buildings and building improvements. Equipment purchases over \$1,000 are capitalized. Depreciation is recorded as a decrease in net assets without donor restrictions and the expense is charged to the activity benefiting from the use of the facilities or equipment. Amounts expended for maintenance and repairs are charged to operations as incurred.

FIND regularly evaluates its long-lived assets for indicators of possible impairment. Should an impairment exist, the impairment loss would be measured based on the excess carrying value of the asset's fair market value or discounted estimates of future cash flows. FIND has not identified any such impairment losses to date.

Contributions and promises to give

Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. FIND will not recognize a conditional promise to give until the conditions on which the promise depends are substantially met. A promise that calls for specific outcomes to be achieved will be treated as a conditional promise to give. Contributions are recorded as with or without donor restrictions depending on the nature of donor restrictions. For contributions with donor restrictions funds are reported as increases in restricted net assets. When the restriction is met, the amount is shown as a reclassification of net assets with donor restrictions to net assets without donor restrictions.

Contributions that are considered conditional promises to give which contain barriers and a right of return or right of release are not recognized until the conditions on which they depend are met, at which time, the gift is recognized as either grants and contributions support with or without donor restrictions.

FIND receives a significant amount of government cash and in-kind food assistance through local, state and federally funded reimbursement programs. The revenue generated from these programs is recorded as government support in the statement of activities. This government support meets the criteria to be classified as conditional contributions under GAAP revenue recognition for nonprofit organizations as it contain barriers related to incurrence of qualifying expenditures and a right of return or release. In the event amounts are received and barriers have not yet been met, FIND records such amounts as refundable advance until barriers have been met.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation of functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, management estimates FIND's indirect salary expense allocation based on individual employees estimated time spent by function or time studies. Management's estimate of other indirect costs are based on salary expense, poundage, or actual food distribution by counties.

Advertising costs

Advertising costs are charged to operations when incurred. Advertising costs for the years ended June 30, 2021 and 2020 totaled \$24,204 and \$23,290, respectively.

Income tax status

Food in Need of Distribution, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by FIND in its federal and state exempt organization tax returns are more-likely-than-not to be sustained upon examination.

Reclassifications

In order to conform the current year financial statement presentation, certain reclassifications were made to the prior year financial statements to conform to the current year financial statements.

Subsequent events

FIND has evaluated events and transactions subsequent to June 30, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 7, 2022, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that would require recognition or additional disclosure in the financial statements, except as disclosed in Note 8 and below.

Food in Need of Distribution, Inc.
 dba FIND Food Bank
 Notes to Financial Statements
 June 30, 2021
 (With Comparative Totals for 2020)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events (continued)

Subsequent to year-end, FIND was in the approval process for a State of California grant of \$3,781,374 for capacity development of the food bank. These funds will be used towards expanding FIND's warehouse capacity by constructing a new facility.

5. INVENTORY

Inventory consisted of the following:

	2021	2020
Government food commodities and supplies	\$ 1,906,183	\$ 507,257
Purchased food	977,048	310,216
Donated non-government food and supplies	645,672	205,196
Produce	115,155	69,708
Emergency relief boxes	-	159,244
	\$ 3,644,058	\$ 1,251,621

6. PROPERTY AND EQUIPMENT

On September 3, 2009, FIND entered into grant agreements with various local governments to acquire the land and building from which FIND currently operates, 83775 Citrus Avenue, Indio, California, 92201. Grant restrictions included a requirement that the building be used to distribute food for a minimum of 5 years from October 1, 2009, through September 30, 2014. The grants also include provisions that, in the event the land and building are sold before a specific date, the grants require that a portion of the original grant funding be returned to the grantors on a sliding scale, ending March 31, 2023. Management currently has no intentions of selling the land and building.

The City of Indian Wells ("IW") granted FIND \$250,000 for this project. The IW grant allows FIND to lease up to 50% of the building with the lease proceeds restricted for use for FIND's charitable purpose. If the land and building were sold, the grant funds to be returned to IW are as follows as of June 30, 2021:

Sale date prior to April 1, 2018	Return \$250,000 (100% of original grant)
Sale date April 1, 2018 - March 31, 2019	Return \$225,000 (90% of original grant)
Sale date April 1, 2019 - March 31, 2020	Return \$200,000 (80% of original grant)
Sale date April 1, 2020 - March 31, 2021	Return \$150,000 (60% of original grant)
Sale date April 1, 2021 - March 31, 2022	Return \$125,000 (50% of original grant)
Sale date April 1, 2022 - March 31, 2023	Return \$100,000 (40% of original grant)

Food in Need of Distribution, Inc.
 dba FIND Food Bank
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 (With Comparative Totals for 2020)

6. PROPERTY AND EQUIPMENT (continued)

Property and equipment consisted of the following:

	2021	2020
Buildings	\$ 4,681,893	\$ 4,681,893
Land	2,531,970	560,778
Equipment	1,697,548	1,068,974
Vehicles	1,496,312	1,257,297
Computer equipment	117,795	116,776
Building improvements	108,541	113,172
	10,634,059	7,798,890
Accumulated depreciation	(3,413,030)	(3,116,869)
	\$ 7,221,029	\$ 4,682,021

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$400,547 and \$255,664, respectively. During the year ended June 30, 2021, FIND received a donation of land valued at \$1,955,000. This land was received from the Houston Family Foundation.

7. NOTE PAYABLE

In November 2017, FIND refinanced its existing note payable with Bank of America due in January 2019 in order to obtain more favorable financing and extend the balloon payment. The new loan terms consist of an interest rate of 4.55% computed on a 360-day year, a seven-year life, and requires equal monthly payments of \$9,809 with the remaining principal due with the last payment which is due on December 10, 2024. The new notes is collateralized by the real property.

The note payable is subjected to covenant clauses whereby FIND is required to meet certain key financial ratios on an annual basis. FIND was in compliance with the covenant clauses for the years ended June 30, 2021 and 2020.

Food in Need of Distribution, Inc.
 dba FIND Food Bank
 Notes to Financial Statements
 June 30, 2021
 (With Comparative Totals for 2020)

7. NOTE PAYABLE (continued)

The future maturities of the note payable are as follows:

<u>Year ending June 30,</u>	
2022	\$ 70,709
2023	74,041
2024	77,421
2025	<u>828,651</u>
	1,050,822
Current portion	<u>(70,709)</u>
	<u><u>\$ 980,113</u></u>

8. PAYCHECK PROTECTION PROGRAM FORGIVABLE LOAN

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act commonly referred to as the CARES Act was signed into law. One component of the CARES Act was the Paycheck Protection Program (“PPP”) which provides small business with the resources needed to maintain their payroll and cover applicable overhead. The PPP is implemented by the Small Business Administration (“SBA”) with support from the United States Department of the Treasury. The PPP provides funds to pay up to 24 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities. On May 11, 2020, FIND received funding for \$224,945.

The loan is a two-year loan with a maturity date of April 16, 2022. The loan bears an annual interest rate of 1%. The loan shall be payable monthly with the first ten monthly payments deferred. It is FIND's intent to apply for loan forgiveness under the provisions of Section 1106 of the CARES Act. Loan forgiveness is subject to the sole approval of the SBA. FIND is eligible for loan forgiveness in an amount equal to payments made during the 24-week period beginning on the Loan date, with the exception that no more than 40% of the amount of loan forgiveness may be for expenses other than payroll expenses.

FIND used all loan proceeds to partially subsidize payroll expenses and eligible nonpayroll expenses. FIND expects to meet the PPP's forgiveness eligibility criteria and that the PPP loan will be recognized as a revenue upon loan forgiveness. As of June 30, 2021, the PPP loan is recognized as Paycheck Protection Program forgivable loan on the statement of financial position. FIND submitted a forgiveness application during year ending June 30, 2021. In August 2021, FIND received forgiveness on the PPP proceeds of \$224,945 from the SBA.

9. BOARD DESIGNATED NET ASSETS

As part of the Organization's annual review of designated assets, the Board adopted specific guidelines for establishing the level of each designation as follows:

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Financial Statements
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(With Comparative Totals for 2020)

9. BOARD DESIGNATED NET ASSETS (continued)

Operating reserve - These reserves are commonly held by nonprofit organizations and food banks for unexpected events. The reserved amount is sufficient to maintain ongoing operations and programs - allowing the Organization to continue food distribution services for a period of 3 months based on its current average monthly expense rate of approximately \$315,000.

Disaster reserve - FIND is a disaster response food bank for the State of California and Riverside County, ensuring that people affected by a disaster have access to food until recovery is established. As such, it is critical that disaster response funds are reserved allowing the organization to quickly respond to disasters until further funds can be raised to support efforts.

Capital reserve - These reserve funds are commonly held by food banks as part of business continuity planning because of the vast nature of facilities, equipment and fleet required to provide food distribution services to the community. The fund will allow the Organization to quickly replace, repair or expand capital items to ensure that there is no interruption of daily operations, which could dramatically affect people who are food insecure.

Board designated net assets consisted of the following:

Operating reserve	\$ 1,000,000
Disaster reserve	1,000,000
Capital reserve	<u>1,000,000</u>
	<u>\$ 3,000,000</u>

Food in Need of Distribution, Inc.
 dba FIND Food Bank
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 (With Comparative Totals for 2020)

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Community mobile markets	\$ 160,000	\$ 14,125
Disaster response and recovery	106,954	227,822
Health and nutrition	65,000	11,250
CalFresh outreach	55,000	-
Community health workers program	51,681	87,930
Child hunger	47,479	187,161
Farmworker equitable food access	41,550	-
EFSP	40,364	7,487
Building fund	24,574	-
Healthy food purchasing	22,340	16,187
2020 census outreach	-	50,000
Leadership training	-	7,777
Fresh milk purchasing	-	884
	<u>\$ 614,942</u>	<u>\$ 610,623</u>

Net assets with donor restrictions released from restriction during the year were as follows:

Disaster response and recovery	\$ 3,714,918
USDA-TEFAP (CARES)	545,856
Health and nutrition	358,197
Healthy food purchasing	278,860
Fresh produce initiative	223,663
CalFresh outreach	203,157
Farmworker equitable food access	171,664
Community mobile markets	161,543
Child hunger	157,594
Food rescue - Cal recycle	156,311
Community health workers program	58,950
Agency programs	55,852
2020 census outreach	50,000
Utility assistance services	12,682
Homeless food distribution	10,000
Leadership training	9,452
EFSP	7,487
Senior hunger	5,000
Fresh milk purchasing	884
	<u>\$ 6,182,070</u>

Food in Need of Distribution, Inc.
 dba FIND Food Bank
 Notes to Financial Statements
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11. CONTRIBUTIONS IN-KIND

Contributions in-kind consisted of the following:

	2021	2020
Non-government in-kind food	\$ 31,830,662	\$ 20,076,761
Government in-kind food	17,220,073	5,679,847
Land	1,955,000	-
	\$ 51,005,735	\$ 25,756,608

FIND also receives donated services that do not require specific expertise but which are nonetheless central to FIND's operations. For the years ended June 30, 2021 and 2020, the estimated value of these services, based on the estimated dollar value of volunteer time calculated by average rate by job category, totaled \$283,490 and \$390,000, respectively. The value of these services is not reflected in the financial statements.

12. SHARED MAINTENANCE FEES

FIND receives fees from participating agencies to assist in the costs of distributing food. These shared maintenance fees are based upon predetermined rates from \$0 to \$0.19 per pound or an average of \$0.028 per pound for the year ended June 30, 2020. Total shared maintenance fees during the years ended June 30, 2021 and 2020, totaled \$0 and \$131,070, respectively. During the year ended June 30, 2021, shared maintenance fees were suspended to provide participating agencies financial relief to support their operations during the pandemic.

13. CONTINGENCIES

Contingencies

Grants and contracts awarded to FIND are subject to the funding agencies' criteria, contract terms and regulations under which expenditures may be charged and are subject to audit under such terms, regulations and criteria. Occasionally, such audits may determine that certain costs incurred against the grants do not comply with the established criteria that govern them. In such cases, FIND could be held responsible for repayments to the funding agency for the costs or be subject to the reductions of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the contracts and grants administered through the year ended June 30, 2021.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

13. CONTINGENCIES (continued)

Legal proceedings

In the ordinary course of its operations, FIND is engaged in occasional litigation. Management anticipates no significant adverse outcomes related to any such ongoing activity to have a material adverse effect on FIND's financial condition, results of activities or cash flows.

14. CONFLICT OF INTEREST

FIND has adopted a conflict of interest policy for Board members and employees whereby the fact or appearance of a person's loyalties or actions are divided between FIND's interests and those of another, such as a competitor, supplier, or customer, are to be avoided. Any exceptions to this guideline must be approved in writing by FIND's President and CEO. Any close relationships between an employee and either a competitor, supplier, or customer, must be disclosed by the employee in writing to the personnel department. Employees who enter into a personal relationship with a subordinate employee or with an employee of a competitor, supplier, or customer, should be made aware that a conflict of interest may exist, and would require full disclosure to FIND. The members of the Board of Directors are required to submit an annual disclosure regarding any conflicts of interest. Failure to adhere to these guidelines, including failure to disclose any conflicts or seek an exception, may result in discipline, up to and including termination of Board position.

15. LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of FIND's liquidity management it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Short-term receivables consists of agency receivables and grants and contributions receivable and are expected to be received within one year from June 30, 2021. Short-term agency receivables and grants and contributions receivable without donor restrictions will be available to support general operations of FIND.

Food in Need of Distribution, Inc.
 dba FIND Food Bank
 Notes to Financial Statements
 June 30, 2021
 (With Comparative Totals for 2020)

15. LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

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

Available financial assets:	
Cash and cash equivalents	\$ 7,636,142
Agency receivables	11,780
Grants and contributions receivable	<u>474,874</u>
	<u>8,122,796</u>
Less amounts unavailable for general expenditure within one year:	
Board designated - disaster reserve	(1,000,000)
Board designated - capital reserve	(1,000,000)
Net assets restricted for a specified purposes	<u>(614,942)</u>
	<u><u>\$ 5,507,854</u></u>

16. RISKS AND UNCERTAINTIES

During the COVID-19 pandemic, FIND's services have generally been considered essential in nature and have not been materially interrupted. As the situation continues to evolve, FIND is closely monitoring the impact of the COVID-19 pandemic on all aspects of its business, including how it impacts FIND's food distribution, vendors, employees and ability to provide services. FIND believes the ultimate impact of the COVID-19 pandemic on its program services and financial condition is likely to be determined by factors which are uncertain, unpredictable and outside of its control.

SINGLE AUDIT REPORTS AND SCHEDULES

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

To the Board of Directors
Food in Need of Distribution, Inc.
dba FIND Food Bank
Indio, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Food in Need of Distribution, Inc. dba FIND Food Bank (a California nonprofit corporation) ("FIND"), which comprise the statement of financial position as of June 30, 2021, 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 March 7, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FIND'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 FIND's internal control. Accordingly, we do not express an opinion on the effectiveness of FIND'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FIND'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 FIND's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FIND's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armanino^{LLP}
San Jose, California

March 7, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

To the Board of Directors
Food in Need of Distribution, Inc.
dba FIND Food Bank
Indio, California

Report on Compliance for Each Major Federal Program

We have audited Food in Need of Distribution, Inc. dba FIND Food Bank (a California nonprofit corporation) ("FIND")'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 FIND's major federal programs for the year ended June 30, 2021. FIND'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 FIND's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 FIND'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 FIND's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of FIND 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 FIND'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 FIND'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 weakness 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.



Armanino^{LLP}
San Jose, California

March 7, 2022

Food in Need of Distribution, Inc.
dba FIND Food Bank
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Agriculture			
Passed through			
California Department of Social Services			
Food Distribution Cluster			
Emergency Food Assistance Program (Food commodities)	10.569	18-MOU-06006	\$ 14,311,994
Emergency Food Assistance Program (Administrative Costs)	10.568	18-MOU-06006	483,232
Emergency Food Assistance Program (CARES)	10.568	18-MOU-06006	<u>545,856</u>
Total Food Distribution Cluster			<u>15,341,082</u>
California Association of Food Banks			
Specialty Crop Block Grant Program - Farm Bill	10.170	N/A	16,213
Emergency Food Assistance Program (Emergency Boxes for Personal Protective Equipment)	10.568	15-MOU-00134-A-2	11,440
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	18-7013	<u>150,555</u>
Total U.S. Department of Agriculture			<u>15,519,290</u>
U.S. Department of the Treasury			
Passed through			
California Department of Social Services			
Coronavirus Relief Fund (Food Commodities)	21.019	18-MOU-06006	2,908,079
Coronavirus Relief Fund (Administrative Costs)	21.019	18-MOU-06006	1,096,210
County of Riverside			
Coronavirus Relief Fund (Food and Administrative Costs)	21.019	N/A	<u>1,000,000</u>
Total U.S. Department of the Treasury			<u>5,004,289</u>
U.S. Department of Homeland Security-Federal Emergency Management Agency			
Passed through			
Riverside County Department of Social Services Homelessness Program Unit			
Emergency Food and Shelter National Board Program - Phase 37 Administrative Costs District 4	97.024	LRO 082000-009	7,487
Emergency Food and Shelter National Board Program - Phase 38 Administrative Costs District 4	97.024	LRO 082000-009	21,794
Emergency Food and Shelter National Board Program - Phase 38 Administrative Costs District 5	97.024	LRO 082000-009	<u>11,083</u>
Total U.S. Department of Homeland Security-Federal Emergency Management Agency			<u>40,364</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Food in Need of Distribution, Inc.
 dba FIND Food Bank
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants			
Passed through			
City of Indio	14.218	N/A	66,666
City of Palm Springs	14.218	N/A	35,304
Morongo Basin Healthcare District	14.218	N/A	<u>10,849</u>
Total U.S. Department of Housing and Urban Development			<u>112,819</u>
Total Expenditures of Federal Awards			<u><u>\$ 20,676,762</u></u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
 are an integral part of this schedule.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Notes to Schedule of Expenditures of Federal Awards
June 30, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Food in Need of Distribution, Inc. dba FIND Food Bank ("FIND") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of FIND, it is not intended to and does not present the financial position, changes in net assets, or cash flows of FIND.

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 limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. FOOD DISTRIBUTION

The amounts reported for "Food Commodities" programs represent the dollar value of the U.S. Department of Agriculture (USDA) and the U.S. Department of the Treasury (USDT) food commodities distributed to FIND during the year. The USDA and other distributors provide the current value of the commodities to compute the amounts reported. At June 30, 2021, FIND had USDA food commodities totaling \$1,532,389 and USDT food commodities totaling \$373,794 in inventory.

4. INDIRECT COSTS

FIND has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Food in Need of Distribution, Inc.
 dba FIND Food Bank
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Assistance Listing Number</u>
Food Distribution Cluster	
Emergency Food Assistance Program (Administrative Costs)	10.568
Emergency Food Assistance Program (Food Commodities)	10.569
Coronavirus Relief Fund (Administrative Costs)	21.019
Coronavirus Relief Fund (Food Commodities)	21.019
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Food in Need of Distribution, Inc.
dba FIND Food Bank
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Food in Need of Distribution, Inc.
dba FIND Food Bank
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

SECTION IV - SUMMARY OF PRIOR AUDIT FINANCIAL STATEMENT FINDINGS

There were no prior year findings.