

THE ARVADA COMMUNITY FOOD BANK, INC. DBA
COMMUNITY TABLE

Combined Financial Statements As Of
June 30, 2020 And 2019

Together With Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

The Arvada Community Food Bank, Inc., dba Community Table
and The Arvada Community Food Bank Foundation, Inc.:

Report on the Financial Statements

We have audited the accompanying combined financial statements of The Arvada Community Food Bank, Inc., dba Community Table and The Arvada Community Food Bank Foundation, Inc. (collectively referred to as the "Organization"), which comprise the combined statements of financial position as of June 30, 2020 and 2019, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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

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Independent Auditors' Report, Continued

organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organization as of June 30, 2020 and 2019, and the results of their changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedule of financial position, and combined schedule of activities on pages 20 and 21, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

JDS Professional Group

October 28, 2020

THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE

Combined Statements Of Financial Position
As Of June 30, 2020 And 2019

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	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,141,463	\$ 356,154
Inventory	30,730	142,568
Promises to give, net	91,555	94,603
Grant receivables	16,566	
Prepaid	700	5,457
Investments	490,388	764,270
Property and equipment, net	<u>256,092</u>	<u>290,185</u>
TOTAL ASSETS	<u><u>\$ 2,027,494</u></u>	<u><u>\$ 1,653,237</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 3,616	\$ 565
Accrued liabilities	40,794	32,038
Capital lease	8,951	4,679
Deferred revenue	5,000	104,550
Refundable advances	<u>52,000</u>	
Total Liabilities	<u>110,361</u>	<u>141,832</u>
Net Assets:		
Unrestricted -		
Designated for property and equipment	247,141	285,506
Board designated	546,589	600,000
Undesignated	<u>1,017,459</u>	<u>514,545</u>
Total Unrestricted	1,811,189	1,400,051
With donor restrictions	<u>105,944</u>	<u>111,354</u>
Total Net Assets	<u>1,917,133</u>	<u>1,511,405</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,027,494</u></u>	<u><u>\$ 1,653,237</u></u>

The accompanying notes are an integral part of the financial statements

THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE

Combined Statement Of Activities
For The Year Ended June 30, 2020

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	Without Donor Unrestricted	With Donor Restricted	Total
Support And Revenue:			
Contributed food	\$ 1,672,512	\$	\$ 1,672,512
Other in-kind contributions	1,605		1,605
Contributions and grants	1,111,537	233,812	1,345,349
Federal grants	105,600		105,600
Investment income	4,155		4,155
Other income	4,284		4,284
Special events, net of direct benefit to donor of \$71,408	138,934		138,934
Net assets released from restrictions - Satisfaction of program and time restrictions	239,222	(239,222)	
Total Support And Revenue	3,277,849	(5,410)	3,272,439
Expenses:			
Program Services -			
Food distribution	2,329,400		2,329,400
Self-Sufficiency	204,377		204,377
Total Program Services	2,533,777		2,533,777
Supporting Services -			
General administration	165,835		165,835
Fundraising	167,099		167,099
Total Supporting Services	332,934		332,934
Total Expenses	2,866,711		2,866,711
CHANGES IN NET ASSETS FROM OPERATIONS	411,138	(5,410)	405,728
Net Assets, Beginning Of Year	1,400,051	111,354	1,511,405
NET ASSETS, END OF YEAR	\$ 1,811,189	\$ 105,944	\$ 1,917,133

The accompanying notes are an integral part of the financial statements

THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE

Combined Statement Of Activities
For The Year Ended June 30, 2019

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	Without Donor Restriction	With Donor Restriction	Total
Support And Revenue:			
Contributed food	\$ 1,881,301	\$	\$ 1,881,301
Other in-kind contributions	3,346		3,346
Contributions and grants	520,013	190,549	710,562
Federal grants	78,725		78,725
Investment income	35,053		35,053
Net assets released from restrictions - Satisfaction of program and time restrictions	188,765	(188,765)	
Total Support And Revenue	2,707,203	1,784	2,708,987
Expenses:			
Program Services -			
Food distribution	2,442,478		2,442,478
Self-Sufficiency	191,152		191,152
Total Program Services	2,633,630		2,633,630
Supporting Services -			
General administration	161,962		161,962
Fundraising	174,098		174,098
Total Supporting Services	336,060		336,060
Total Expenses	2,969,690		2,969,690
CHANGES IN NET ASSETS FROM OPERATIONS	(262,487)	1,784	(260,703)
Net Assets, Beginning Of Year	1,662,538	109,570	1,772,108
NET ASSETS, END OF YEAR	\$ 1,400,051	\$ 111,354	\$ 1,511,405

The accompanying notes are an integral part of the financial statements

THE ARVADA COMMUNITY FOOD BANK, INC.
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Combined Statement Of Functional Expenses
For The Year Ended June 30, 2020

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	Program Services		Support Services		
	Food Distribution	Self- Sufficiency	General Administration	Fundraising	Total
In-kind food distributed	\$ 1,780,937	\$	\$	\$	\$ 1,780,937
Purchased food distributed and services provided	119,103	48,502			167,605
Salaries and benefits	248,058	134,646	124,061	116,600	623,365
Facilities expense	55,572	5,606	4,506	2,632	68,316
Office supplies	21,741	768	1,197	490	24,196
In-kind rent	15,665	4,820	2,410	1,205	24,100
Printing and publication	403	71	65	16,861	17,400
Insurance expense	10,991	694	2,421	468	14,574
Miscellaneous expense	1,623	108	1,304	8,381	11,416
Depreciation expense	65,179	8,465	6,772	4,232	84,648
Postage	39	138	237	11,723	12,137
Professional fees	10,089	559	22,137	3,734	36,519
Foundation expense			725	773	1,498
Total Expenses	<u>\$ 2,329,400</u>	<u>\$ 204,377</u>	<u>\$ 165,835</u>	<u>\$ 167,099</u>	<u>\$ 2,866,711</u>
Functional Expense as a % of Total Expenses	<u>81%</u>	<u>7%</u>	<u>6%</u>	<u>6%</u>	<u>100%</u>

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

THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE

Combined Statement Of Functional Expenses
For The Year Ended June 30, 2019

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	Program Services		Support Services		
	Food Distribution	Self- Sufficiency	General Administration	Fundraising	Total
In-kind food distributed	\$ 1,906,181	\$	\$	\$	\$ 1,906,181
Purchased food distributed and services provided	105,827	34,880			140,707
Salaries and benefits	230,206	126,092	114,754	112,831	583,883
Facilities expense	56,225	5,522	4,183	2,625	68,555
Office supplies	11,243	1,390	1,003	915	14,551
In-kind rent	15,665	4,820	2,410	1,205	24,100
Printing and publication	1,843	122	85	23,010	25,060
Insurance expense	11,721	898	2,889	796	16,304
Miscellaneous expense	530	65	1,865	3,960	6,420
Depreciation expense	81,551	10,592	8,473	5,295	105,911
Postage	367	127	205	8,094	8,793
Professional fees	21,119	6,644	25,395	11,960	65,118
Foundation expense			700	3,407	4,107
Total Expenses	<u>\$ 2,442,478</u>	<u>\$ 191,152</u>	<u>\$ 161,962</u>	<u>\$ 174,098</u>	<u>\$ 2,969,690</u>
Functional Expense as a % of Total Expenses	<u>82%</u>	<u>6%</u>	<u>5%</u>	<u>6%</u>	<u>100%</u>

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

THE ARVADA COMMUNITY FOOD BANK, INC.
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Combined Statement Of Cash Flows
For The Years Ended June 30, 2020 And 2019

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	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Changes in net assets	\$ 405,728	\$ (260,703)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	84,648	105,911
Contributed rent	24,000	24,000
Gain on disposal of fixed assets	(4,032)	
Discount to net present value - long term promises to give	(1,605)	(2,238)
Realized/unrealized losses	26,626	(13,598)
Changes in operating assets and liabilities -		
Contributed food received	(1,699,060)	(1,699,060)
Contributed food distributed	1,810,898	1,715,011
(Increase) in grant receivables	(16,566)	
(Increase) decrease in promises to give	(19,347)	132,807
Increase (decrease) in prepaid expenses	4,757	(5,457)
Increase (decrease) in accounts payable	3,051	(670)
Increase (decrease) in accrued liabilities	8,756	(5,917)
Increase in refundable advances	52,000	
(Decrease) increase in deferred revenue	(99,550)	104,550
Net cash provided by operating activities	<u>580,304</u>	<u>94,636</u>
Cash flows from investing activities:		
Purchases of investments	(28,189)	(242,989)
Sales of investments	275,445	272,018
Purchases of property and equipment	(40,555)	(32,434)
Net cash provided by (used in) investing activities	<u>206,701</u>	<u>(3,405)</u>
Cash flows from financing activities:		
Payments on capital lease	(1,696)	(2,251)
Net cash (used in) financing activities	<u>(1,696)</u>	<u>(2,251)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	785,309	88,980
Cash and Cash Equivalents, Beginning Of Year	<u>356,154</u>	<u>267,174</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,141,463</u>	<u>\$ 356,154</u>
Supplemental Disclosure of Cash Flow Information:		
Equipment acquired under capital lease	<u>\$ 10,000</u>	

The accompanying notes are an integral part of the financial statements

**THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE**

Notes To Combined Financial Statements
For The Years Ended June 30, 2020 And 2019

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(1) **Nature Of Organization**

These financial statements have been combined to include the accounts of the Arvada Community Food Bank, Inc., dba Community Table (the “Community Table”) and The Arvada Community Food Bank Foundation, Inc. (the “Foundation”) (collectively referred to as the “Organization”).

Community Table is a not-for-profit corporation established in 1982. Community Table’s primary objective is to provide food and resources to foster self-sufficiency. For those facing food insecurity, the Community Table food pantry invites families to shop up to twelve times per year. During the year ended June 30, 2020, more than 1.1 million pounds of donated food were shared through 13,600 household visits by Community Table clients. Included in this distribution, more than 4300 families received boxes of food when the Client Choice food pantry was closed due to COVID 19 restrictions put in place by the governor of Colorado. Through Feed the Future programs in Arvada and Wheat Ridge, more than 18,700 sacks of weekend food were distributed to schoolchildren during the normal school year as well as during the COVID crisis. Prior to the March COVID shutdown, families also received food through food pantries established at K-12 schools and Head Start. CT’s Bridges to Opportunity Program provided self-sufficiency assistance to more than 400 new clients in 2019-20, including assistance applying for public benefits, GED test assistance, job search activities, screening/case management services for federal housing/rent vouchers and various forms of information and referral. Through its Client Financial Assistance program more than 70 households were provide with one time rent, utility and other emergency financial solutions, and an additional 80 applications for LEAP/Energy Outreach CO were completed.

The Foundation is a not-for-profit corporation established in 2015. The Foundation’s primary objective is to provide assistance, financial or otherwise, to Community Table. Community Table is the sole voting member of the Foundation.

(2) **Summary Of Significant Accounting Policies**

Method Of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis Of Presentation

Financial statement presentation follows the recommendations of *Financial Statements for Not-for-Profit Organizations*. Under this standard, the Organization is required to report information regarding financial position and activities according to the following net asset classifications:

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DBA COMMUNITY TABLE

Notes To Combined Financial Statements (Continued)

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Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity. The Organization does not have any funds perpetual in nature.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Measure Of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non operating activities. Operating activities consists of those items attributable to the Organization's ongoing program services and investment earnings. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Statement Of Cash Flows

For purposes of the statement of cash flows, cash and cash equivalents consists of demand deposits, and short term investments with an original maturity of three months or less.

Promises to Give

Promises to give consists of amounts due to the Organization. Management expects all promises to give to be fully collectible; accordingly, there is no allowance for doubtful accounts.

Inventory

Inventories consist of undistributed food donations, as well as purchased food items. Donated food inventory is valued at an average of the national wholesale prices determined by Feeding America. Purchased food inventory is valued at the cost paid by the Organization.

THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE

Notes To Combined Financial Statements (Continued)

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Investments

Investments are stated at fair market value.

Property And Equipment

All acquisitions of property and equipment in excess of \$500 are recorded at cost if purchased, or at fair market value on the date of the gift, if donated. Expenditures for minor purchases, maintenance and repairs are charged to expense. The Organization reports gifts of equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used.

Depreciation is computed using the straight-line method over the estimated useful lives as follows:

	<u>Estimated Useful Lives</u>
Office equipment	3 years
Leasehold improvements	10 years
Operating equipment	5 years
Vehicles	5 years

Fair Value Measurements

The Organization follows *Fair Value Measurements*, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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Notes To Combined Financial Statements (Continued)

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If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of deposit: Valued at cost or original cost plus accrued interest.

Exchange traded funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the published net asset value (NAV) of the shares held at the reporting date.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

The carrying amount reported in the combined statement of financial position for cash and cash equivalents, promises to give, inventory, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Revenue And Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be

THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE

Notes To Combined Financial Statements (Continued)

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collected in more than one year. Management expects that all promises to give will be fully collectible; accordingly, there is no allowance for uncollectible promises to give.

Conditional promises to give with a measurable performance or other barrier and a right of return/right of release are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and local grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization did not receive any federal and local grant funds that have not been recognized as of June 30, 2020, because qualifying expenditures have not yet been incurred.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization receives a substantial amount of donated services and expenses by unpaid volunteers. No amounts have been reflected in the accompanying financial statements since the volunteers' time and expenses do not meet the criteria for recognition under FASB ASC 958-605-25-16.

Methods Used for Allocation of Expenses from Management and General Activities

The cost of providing program and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Facilities expense	Square footage allocation
In-kind rent	Square footage allocation
Insurance expense	Allocated by estimated proportion of benefit
Depreciation and amortization	Square footage allocation

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Notes To Combined Financial Statements (Continued)

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Adoption of New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers: Topic 606*, to supercede nearly all existing revenue recognition guidance relative to exchange transactions under U.S. GAAP. The Organization adopted the provisions of this guidance on July 1, 2019, using the modified retrospective approach and applied the standard to contracts as of the date of adoption. The adoption did not have a material impact on the Organization’s revenue recognition.

In June 2018, FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies how entities determine whether to account for a transfer of assets as an exchange transaction or contribution. The distinction is important because contributions are accounted for under Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities -Revenue Recognition*, which exchange transactions are accounted for under other guidance such as ASC 606, *Revenue from Contracts with Customers*. The guidance also clarified how entities determine whether a contribution is conditional or unconditional. The Organization adopted the provisions of this guidance on July 1, 2019, using the prospective approach. The adoption did not have a material impact on the Organization’s revenue recognition.

Evaluation of Subsequent Events

The Organization has performed an evaluation of subsequent events through October 28, 2020, which is the date the combined financial statements were available to be issued, and has considered any relevant matters in the preparation of the combined financial statements and footnotes.

(3) **Tax Exempt Status**

Community Table and the Foundation have previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements contain no provision for income taxes. In addition, Community Table qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Foundation has been classified as a public charity as a Type I supporting organization of Community Table under section 509(a)(3).

The Organization follow *Accounting for Uncertainty in Income Taxes* which requires the respective organizations to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming the tax position is examined by the appropriate taxing authority that has

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Notes To Combined Financial Statements (Continued)

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knowledge of all relevant information. During the years ended June 30, 2020 and 2019, Community Table and Foundation's management evaluated their tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an effect on its tax-exempt status. Community Table and the Foundation are no longer subject to U.S. federal tax audits on it Form 990 by taxing authorities for fiscal years ending prior to 2017. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, Community Table and the Foundation believes that no issue would arise.

(4) **Unconditional Promises To Give**

Unconditional promises to give are summarized as follows as of June 30, 2020 and 2019:

Amount Due:	2020	2019
Within one year	\$ 58,792	\$ 39,445
One to five years	34,000	58,000
	92,792	97,445
Less: discount to net present value	(1,237)	(2,842)
Total:	<u>\$ 91,555</u>	<u>\$ 94,603</u>

As of June 30, 2020 and 2019, the discount rate used was 2.91%.

(5) **Investments**

The following table presents the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2020 and 2019:

	2020	2019
Investments:		
Certificates of deposit	\$ 185,611	\$ 182,271
Exchange traded funds	103,740	96,813
Mutual funds:		
U.S. large cap	91,391	167,463
U.S. mid cap	9,892	42,568
U.S. small cap	4,117	87,850
International bonds	17,696	61,558
International equities	68,609	67,826
Other	3,066	3,092
Domestic bonds	6,266	54,829
Total	<u>\$ 490,388</u>	<u>\$ 764,270</u>

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Notes To Combined Financial Statements (Continued)

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Investment income consisted of the following as of June 30, 2020 and 2019:

	2020	2019
Interest and dividends	\$ 31,018	\$ 21,454
Net gains (losses) on investments	(26,863)	13,599
Total	<u>\$ 4,155</u>	<u>\$ 35,053</u>

(6) Concentrations Of Credit Risk

The Organization's cash demand deposits and certificates of deposits are held at financial institutions at which deposits are insured up to \$250,000 by the FDIC and the National Credit Union Share Insurance Fund (NCUSIF), federal funds backed by the full faith and credit of the United States Government. As of June 30, 2020, the Organization's cash demand deposits and certificates of deposit exceeded the FDIC's insurance limit of \$250,000 per institution by \$457,788.

(7) Property And Equipment

As of June 30, 2020 and 2019, property and equipment consisted of the following:

	2020	2019
Office equipment	\$ 101,513	\$ 92,012
Leasehold improvements	892,867	892,619
Operating equipment	120,852	105,557
Vehicles	95,329	95,329
	<u>1,210,561</u>	<u>1,185,517</u>
Less: accumulated depreciation	(954,469)	(895,332)
Property And Equipment, Net	<u>\$ 256,092</u>	<u>\$ 290,185</u>

(8) Donated Food

The Organization receives donated food from individual donors and local area merchants.

During the year ended June 30, 2020 and 2019, the Organization received and distributed approximately 1,300,000 and 1,600,000 pounds of food, respectively. As of June 30, 2020 and 2019, donated and purchased inventory consisted of approximately 25,416 and 83,600 pounds, respectively.

THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE

Notes To Combined Financial Statements (Continued)

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(9) **Expenses**

Total expenses incurred for the year ended June 30, 2020, were the following:

	Total Expenses	Less Direct Costs	Total Expenses Reported By Function
Program services	\$ 2,533,777	\$	\$ 2,533,777
Fundraising	167,099		167,099
Direct benefit to donor	71,408	(71,408)	
General administration	165,835		165,835
	<u>\$ 2,938,119</u>	<u>\$ (71,408)</u>	<u>\$ 2,866,711</u>

Total expenses incurred for the year ended June 30, 2019, were the following:

	Total Expenses	Less Direct Costs	Total Expenses Reported By Function
Program services	\$ 2,633,630	\$	\$ 2,633,630
Fundraising	174,098		174,098
General administration	161,962		161,962
	<u>\$ 2,969,690</u>	<u>\$ 0</u>	<u>\$ 2,969,690</u>

(10) **Net Assets**

Board designated net assets: The Organization's governing board designated a portion of net assets without donor restrictions as follows as of June 30, 2020 and 2019:

	2020	2019
Operating reserve	\$ 450,000	\$ 450,000
Capital improvements reserve	96,589	150,000
Total	<u>\$ 546,589</u>	<u>\$ 600,000</u>

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DBA COMMUNITY TABLE

Notes To Combined Financial Statements (Continued)

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Net assets with donor restrictions consisted of the following as of June 30, 2020 and 2019:

	2020	2019
Contributed facility	\$ 56,763	\$ 90,145
Promise to give - time restriction		15,445
Emergency assistance	17,178	5,764
Home energy assistance	20,480	
Health Clinic	11,523	
Total	<u>\$ 105,944</u>	<u>\$ 111,354</u>

(11) Liquidity And Availability Of Financial Assets

The Organization has approximately \$1,480,905 of financial assets, less the board designated net assets of \$546,589, or approximately \$934,316 of financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditure consisting of cash and cash equivalents of \$1,141,463, cash promises to give of \$34,792, and short-term investments of \$490,388. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The promises to give which consist of in-kind facility contributions are not reflected as a financial asset due to the nature of the contribution. The Organization has a goal to maintain financial assets on hand to meet 120 days of normal operating expenses. The Organization has a policy to structure its financial assets to be available as for its general expenditures, liabilities, and other obligations as they come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments instruments

(12) Contributed Facility

The Organization entered into a long-term lease agreement for use of its office facilities commencing on March 3, 2010, expiring on December 3, 2022. Under such agreement, the building owner has agreed to allow the Organization to utilize these facilities at a cost of \$100 per year. The donated rent, utilities and maintenance were valued at \$24,000, for the years ended June 30, 2020 and 2019. A net promise to give in the amount of \$56,763 and \$79,158 is reflected in the financial statements for the years ended June 30, 2020 and 2019, relating to such contributed facility.

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DBA COMMUNITY TABLE

Notes To Combined Financial Statements (Continued)

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(13) New Accounting Pronouncements

In December of 2018, FASB issued ASU No. 2018-20, Leases. ASU No. 2018-20 which requires the Organization to recognize all leased assets on the statement of financial position with corresponding liability resulting in a gross up of the statement of financial position. Entities will also be required to present additional disclosure as to the nature and extend of leasing activities. The requirements of this statements are effective for the Organization's year ended June 30, 2022. The Organization has not evaluated the impact due to the timing of implementation of this standard.

THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE

Combined Schedule Of Financial Position

As Of June 30, 2020

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(With Summarized Financial Information for the Year Ended June 30, 2019)

	The Arvada Community Food Bank	The Arvada Community Food Bank Foundation	Eliminations	2020 Total	2019 Total
ASSETS					
Cash and cash equivalents	\$ 1,046,554	\$ 94,909	\$	\$ 1,141,463	\$ 356,154
Inventory	30,730			30,730	142,568
Promises to give, net	91,555			91,555	94,603
Grant receivables	16,566			16,566	
Prepays		700		700	5,457
Investments	490,388			490,388	764,270
Net property and equipment	256,092			256,092	290,185
TOTAL ASSETS	\$ 1,931,885	\$ 95,609	\$	\$ 2,027,494	\$ 1,653,237
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ 3,616	\$	\$	\$ 3,616	\$ 565
Accrued liabilities	40,794			40,794	32,038
Capital Lease	8,951			8,951	4,679
Deferred Revenue		5,000		5,000	104,550
Refundable advances	52,000			52,000	
Total Liabilities	105,361	5,000		110,361	141,832
Net Assets:					
Without donor restriction					
Designated for property and equipment	247,141			247,141	285,506
Board designated	546,589			546,589	600,000
Undesignated	926,850	90,609		1,017,459	529,990
Total without donor restriction	1,720,580	90,609		1,811,189	1,415,496
With donor restrictions	105,944			105,944	95,909
Total Net Assets	1,826,524	90,609		1,917,133	1,511,405
TOTAL LIABILITIES AND NET ASSETS	\$ 1,931,885	\$ 95,609	\$	\$ 2,027,494	\$ 1,653,237

THE ARVADA COMMUNITY FOOD BANK, INC.
DBA COMMUNITY TABLE

Combined Schedule Of Activities
For The Year Ended June 30, 2020

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(With Summarized Financial Information for the Year Ended June 30, 2019)

	The Arvada Community Food Bank	The Arvada Community Food Bank Foundation	Eliminations	2020 Total	2019 Total
Support And Revenue:					
Contributed food	\$ 1,672,512	\$	\$	\$ 1,672,512	\$ 1,881,301
Other in-kind contributions	1,605			1,605	3,346
Contributions and grants	1,439,834	5,515	(100,000)	1,345,349	710,562
Federal grants	105,600			105,600	78,725
Investment income	3,783	372		4,155	35,053
Other income	4,284			4,284	
Special events, net of direct benefit to donor of \$71,408	28,055	110,879		138,934	
Total Support and Revenue	3,255,673	116,766	(100,000)	3,272,439	2,708,987
Expenses:					
Program Services -					
Food distribution	2,329,400			2,329,400	2,442,478
Self-Sufficiency	204,377			204,377	191,152
Total Program Services	2,533,777			2,533,777	2,633,630
Supporting Services -					
General administration	165,110	725		165,835	161,962
Fundraising	166,505	100,594	(100,000)	167,099	174,098
Total Supporting Services	331,615	101,319	(100,000)	332,934	336,060
Total Expenses	2,865,392	101,319	(100,000)	2,866,711	2,969,690
CHANGES IN NET ASSETS	390,281	15,447		405,728	(260,703)
Net Assets, Beginning Of Year	1,436,243	75,162		1,511,405	1,772,108
NET ASSETS, END OF YEAR	\$ 1,826,524	\$ 90,609	\$	\$ 1,917,133	\$ 1,511,405