



Clifford
Ross
Raudenbush
Cooper

Clifford, Ross, Raudenbush & Cooper, CPA's, LLC
Serving El Paso & Las Cruces Since 1976

EL PASOANS FIGHTING HUNGER FOOD BANK

FINANCIAL STATEMENTS

with

INDEPENDENT AUDITOR'S REPORT

For the Years Ended December 31, 2019 and 2018

Certified Public Accountants

Annual Financing Report

For The Year Ended December 31, 2019

EL PASOANS FIGHTING HUNGER FOOD BANK

TABLE OF CONTENTS
December 31, 2019

	<u>Page</u>
BOARD OF DIRECTORS	1
INDEPENDENT AUDITOR'S REPORT	2-3
FINANCIAL STATEMENTS:	
Statements of Financial Position.....	4
Statements of Activities.....	5
Statement of Changes in Net Assets.....	6
Statements of Functional Expenses.....	7-8
Statements of Cash Flows.....	9
Notes to Financial Statements.....	10-19
SUPPLEMENTAL INFORMATION:	
Schedule of Expenditures of Federal Awards.....	20
Notes to the Schedule of Expenditures of Federal Awards.....	21
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 <i>Government Auditing Standards</i>	22-23
Independent Auditor's Report on Compliance for each Major Program And on Internal Control Over Compliance Required by the <i>Uniform Guidance</i>	24-25
Schedule of Findings and Questioned Costs.....	26-29

EL PASOANS FIGHTING HUNGER FOOD BANK

BOARD OF DIRECTORS

December 31, 2019

OFFICERS

Laura Rayborn, Board Chair

Robert A. Diaz, Board Vice-Chair

Stuart R. Schwartz, Vice Board Chair

Magdalena Baca, Treasurer

Cyndi Maestas-Henry, Assistant Treasurer

Christine Jones, Secretary

Jose "Abe" Gonzalez, Parliamentarian

Mark Matthys, Past Chair

MEMBERS

Elaina Ball

Tanny Berg

Bradley V. Byers

Jorge Caballero

Debra Carrejo

Brad Dubow

Richard Dayoub

Nancy Keane

Penny Nevarez

Gwen Pulido

VJ Smith



Clifford
Ross
Raudenbush
Cooper

Clifford, Ross, Raudenbush & Cooper, CPA's, LLC

Serving El Paso & Las Cruces Since 1976

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
El Pasoans Fighting Hunger Food Bank

Report on the Financial Statements

We have audited the accompanying financial statements of El Pasoans Fighting Hunger Food Bank (a nonprofit Organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, changes in net assets, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 El Pasoans Fighting Hunger Food Bank as of December 31, 2019, 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.

El Paso, TX 79936
1790 N Lee Trevino Dr Ste. 400
P.915-593-3330
F.915-593-3302

Never Underestimate the Value of a CPA

Las Cruces, NM 88011 1155
Commerce Dr. Ste. E
P.575-524-1040
F.575-647-1136

Prior Period Financial Statements

The comparative financial statements of El Pasoans Fighting Hunger Food Bank as of December 31, 2018, were audited by other auditors whose report dated September 25, 2019, expressed an unmodified opinion on those statements.

Other Matters***Other Information***

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* 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 September 18, 2020, on our consideration of El Pasoans Fighting Hunger Food Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of El Pasoans Fighting Hunger Food Bank's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering El Pasoans Fighting Hunger Food Bank's internal control over financial reporting and compliance.



El Paso, TX
September 18, 2020

EL PASOANS FIGHTING HUNGER FOOD BANK
Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,486,127	\$ 688,603
Investments	-	207,836
Accounts receivable	226,484	30,983
Grants receivable	515,587	162,316
Unconditional promises to give, current portion	255,057	150,890
Inventory	4,100,640	580,727
Total current assets	6,583,895	1,821,355
 Property and Equipment, net	 5,016,414	 3,476,115
Other Asset		
Unconditional promises to give, net of current portion and discount	716,044	496,546
 TOTAL ASSETS	 \$ 12,316,353	 \$ 5,794,016
LIABILITIES and NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 115,215	\$ 99,337
Deferred revenue	-	15,065
Notes payable, current portion	200,000	100,000
Total current liabilities	315,215	214,402
 Long-Term Notes Payable, net of current portion	 2,100,000	 900,000
 Total liabilities	 2,415,215	 1,114,402
Net Assets		
Without donor restrictions		
Undesignated	9,013,504	3,675,057
Designated by the Board for operating reserve	-	214,511
Total without donor restrictions	9,013,504	3,889,568
With donor restrictions		
Purpose restrictions	887,634	790,046
Total with donor restrictions	887,634	790,046
 Total net assets	 9,901,138	 4,679,614
 TOTAL LIABILITIES and NET ASSETS	 12,316,353	 \$ 5,794,016

See accompanying notes to financial statements and independent auditor's report.

EL PASOANS FIGHTING HUNGER FOOD BANK
Statements of Activities
For the Years Ended December 31, 2019 and 2018

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2019</u>	<u>2018</u>
Unrestricted revenue gains and other support		
Donated commodities	\$ 27,123,135	\$ 17,538,614
Government grants	12,911,327	3,017,216
Individual donations	422,057	280,269
State, private grants, corporate, and organization donations	769,844	1,417,103
Direct mail	201,701	180,190
Special events	214,982	260,116
Agency support	454,445	422,081
In-kind revenue	20,318	56,299
Investment income (loss)	513	(14,023)
Rental income	-	86,000
Other income	356,278	20,226
Foundation donations	253,944	-
Net assets released from restriction	631,925	416,874
Total unrestricted revenue, gains and other support:	<u>43,360,469</u>	<u>23,680,965</u>
 EXPENSES		
Program	37,133,660	21,797,882
Fundraising	350,593	341,856
Administrative	752,280	386,445
Total Expenses	<u>38,236,533</u>	<u>22,526,183</u>
 NET INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	 <u>5,123,936</u>	 <u>1,154,782</u>
 WITH DONOR RESTRICTION NET ASSETS		
Grants	121,913	156,887
Donations-capital campaign	607,600	457,326
Net assets released from restriction	(631,925)	(416,874)
 NET INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	 <u>97,588</u>	 <u>197,339</u>
 INCREASE IN NET ASSETS	 5,221,524	 1,352,121
 NET ASSETS, BEGINNING OF YEAR	 <u>4,679,614</u>	 <u>3,327,493</u>
 NET ASSETS, END OF YEAR	 <u>\$ 9,901,138</u>	 <u>\$ 4,679,614</u>

See accompanying notes to financial statements and independent auditor's report.

EL PASOANS FIGHTING HUNGER
Statement of Changes in Net Assets
For the Year Ended December 31, 2019

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Net Assets, December 31, 2018	\$ 3,889,568	\$ 790,046	\$ 4,679,614
Increase (decrease) in net assets	<u>5,123,936</u>	<u>97,588</u>	<u>5,221,524</u>
Net Assets, December 31, 2019	<u>\$ 9,013,504</u>	<u>\$ 887,634</u>	<u>\$ 9,901,138</u>

See accompanying notes to financial statements and independent auditor's report.

EL PASOANS FIGHTING HUNGER FOOD BANK
Statement of Functional Expenses
For the Year Ended December 31, 2019

	<u>Program Services</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>	<u>Total Expenses</u>
Salaries	\$ 744,734	\$ 372,367	\$ 124,123	\$ 1,241,223
Payroll taxes and benefits	175,207	87,604	29,201	292,012
Professional development/travel	22,033	16,705	-	38,738
Utilities	87,217	4,590	-	91,807
Occupancy expenses	286,488	15,078	-	301,566
Interest expense	93,155	-	-	93,155
Repair and maintenance	45,176	2,378	-	47,554
Transportation	281,260	-	-	281,260
Food purchase and freight	463,718	-	-	463,718
Commodities distribution	34,616,904	-	-	34,616,904
Office supplies and postage	38,272	2,014	-	40,286
Professional fees	1,824	34,656	-	36,480
Organizational fees/dues	28,307	1,490	-	29,797
Promotion/marketing	-	-	62,239	62,239
Printing	-	-	1,533	1,533
Special events	3,747	-	30,265	34,012
Direct mail	-	-	88,603	88,603
Depreciation	240,945	12,681	-	253,626
In-kind expense	4,673	1,016	14,629	20,318
Other expenses	-	201,702	-	201,702
TOTAL PROGRAM EXPENSES	<u><u>\$ 37,133,660</u></u>	<u><u>\$ 752,280</u></u>	<u><u>\$ 350,593</u></u>	<u><u>\$ 38,236,533</u></u>

See accompanying notes to financial statements and independent auditor's report.

EL PASOANS FIGHTING HUNGER FOOD BANK
Statement of Functional Expenses
For the Year Ended December 31, 2018

	<u>Program Services</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>	<u>Total Expenses</u>
Salaries	\$ 570,346	\$ 270,775	\$ 91,255	\$ 932,376
Payroll taxes and benefits	154,196	39,879	24,671	218,746
Professional development/travel	18,295	963	-	19,258
Utilities	64,002	3,369	-	67,371
Occupancy expenses	131,420	6,917	-	138,337
Interest expense	52,511	-	-	52,511
Repair and maintenance	37,057	1,950	-	39,007
Transportation	135,543	-	-	135,543
Food purchase and freight	262,001	-	-	262,001
Commodities distribution	20,066,423	-	-	20,066,423
FEMA expense	53,280	-	-	53,280
Office supplies and postage	35,160	1,851	-	37,011
Professional fees	2,296	41,524	-	43,820
Organizational fees/dues	18,603	979	-	19,582
Promotion/marketing	-	-	93,135	93,135
Printing	-	-	430	430
Special events	-	-	28,482	28,482
Direct mail	-	-	63,534	63,534
Depreciation	157,890	8,310	-	166,200
In-kind expense	13,352	2,598	40,349	56,299
Unrelated business income tax	-	5,988	-	5,988
Other expenses	25,507	1,342	-	26,849
TOTAL PROGRAM EXPENSES	<u><u>\$ 21,797,882</u></u>	<u><u>\$ 386,445</u></u>	<u><u>\$ 341,856</u></u>	<u><u>\$ 22,526,183</u></u>

See accompanying notes to financial statements and independent auditor's report.

EL PASOANS FIGHTING HUNGER FOOD BANK
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities:		
Change in net assets	\$ 5,221,524	\$ 1,352,121
Depreciation	253,626	166,200
Realized and unrealized (gain) loss on investments	-	(22,959)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	(548,772)	(59,225)
Unconditional pledges	(323,665)	(282,676)
Inventory and other assets	(3,519,913)	(213,629)
Increase (decrease) in:		
Accounts Payable and accrued expenses	15,877	48,442
Deferred revenue	(15,065)	4,180
Net cash provided by operating activities	1,083,612	992,454
Cash flows from investing activities		
Proceeds from the sale of investments	239,160	223,276
Purchase of investments	-	(90,200)
Acquisition of property and equipment	(1,725,248)	(787,738)
Net cash used in investing activities	(1,486,088)	(654,662)
Cash flows from financing activities		
Proceeds from loan	1,300,000	-
Principal payment	(100,000)	(225,000)
Net cash provided by financing activities	1,200,000	(225,000)
Net increase (decrease) in cash	797,524	112,792
Cash, beginning of year	688,603	575,811
Cash, end of year	\$ 1,486,127	\$ 688,603
Supplemental disclosures		
Interest paid	\$ 93,155	\$ 52,511
Non-cash transactions:		
In-kind donation of trucks	\$ -	\$ 60,574

See accompanying notes to financial statements and independent auditor's report.

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

El Pasoans Fighting Hunger Food Bank (the Organization) is a charitable organization approved by the Internal Revenue Service as a Code Section 501(c)(3) organization and was established on July 13, 2011 to combat the hunger crisis in our region by strategically procuring and distributing nutritious food through community partners. The Organization is El Paso's only food bank and is a member of Feeding America. The Organization fulfills its mission by focusing its efforts in two major areas.

The Organization is 1) the distribution center with over 138 partner pantries across the borderland region and 2) collaborative hub for hunger initiatives that assists in Supplemental Nutrition Assistance Program (SNAP) applications and nutrition education. The Organization also distributes healthy and nutritious food to 248 client choice mobile pantries, which provide to underserved/unserved communities. The Organization serves children, single parent households, veterans, senior citizens and working-class families.

Effective July 1, 2016 the Organization became a contract member of Feeding America, an Arizona non-profit Organization. The purpose of this contract between Feeding America and the Organization is to establish the Member's Membership in the national Network of Feeding America, provide definition and guidance for the business relationship between the Member and Feeding America, foster a cooperative spirit, and improve the capacity of the Network to provide solutions to the problem of hunger in America. In collaboration with more than 138 partner agencies, the Organization educates and provides assistance each week through their innovative programs and services.

Programs

Partner Agency Food Pantries and Mobile Client Choice Pantries

The Organization relies on more than 138 partners to distribute food each week throughout the El Paso, Culberson and Hudspeth counties. The partners include churches, soup kitchens and shelters to continue the mission of making sure no one goes hungry. The Organization uses its' refrigerated trucks in collaboration with partner agencies to distribute nutritious food to a minimum of 248 families per site who live in underserved or unserved neighborhoods. Unlike most hunger relief programs where individuals are handed a pre-packed box of food, client choice allows individuals the opportunity to select the food items they need to feed themselves and their families.

Commodity Supplement Food Program (CSFP)

As of December 31, 2019, the Organization has provided healthy food to 2,500 low-income senior citizens in their community on a monthly basis. Through the CSFP, senior citizens have the opportunity to have healthy foods that helps maintain their health.

Nutrition Education

The Organization's Nutrition Education Coordinator teaches free classes through the SNAP Nutrition Education & Obesity Prevention Grant Program. The program is designed to improve the likelihood that people eligible for SNAP benefits will make healthy food choices within a limited budget and choose a physically active lifestyle. Classes are taught for all ages from preschool children to senior citizens. Topics and demonstrations include healthy weight management, portion control, healthy snacks, and budgeting.

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Programs (Continued)

School Pantries and the National School Lunch Program (NSLP)

El Pasoans Fighting Hunger Food Bank teams up with Communities in Schools, a program dedicated to meeting the needs of students to empower them to stay in school. Currently, 14 school pantry sites within Tornillo, Clint, Ysleta and Socorro Independent School Districts are providing meals to students and their families within their community. The Organization proudly obtained the Texas Department of Agriculture's highly competitive contract to manage the NSLP. Through this program, the Organization services 185,000 low income children across 182 schools in 7 West Texas counties including El Paso, Culberson, Hudspeth, Brewster, Jeff Davis, Reeves and Presidio Counties.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable consist primarily of shared maintenance fees billed to agencies for services rendered. Accounts receivable are evaluated by management and typically amounts deemed to be uncollectible are charged against an allowance for doubtful accounts. The allowance is then adjusted to reflect an estimated reserve for future losses. For the years ended 2019 and 2018, management determined that no allowances for doubtful accounts were necessary.

Promises to Give

Contributions are recognized when donors make promises to donate to the Organization. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When restrictions expire, they are released from restricted net assets and recognized as increases in net assets without donor restrictions.

Promises to give are initially recorded and subsequently carried at fair value using the present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

The promises to give are related to the Organization's capital campaign. Promises to give are written off when deemed uncollectable. As of December 31, 2019, and 2018, there was no allowance established.

Inventory

Inventory consists of donated food, purchased food and USDA commodities. Donated food is reported at an average price of \$1.62 per pound based on a valuation done for Feeding America at the national level for both 2019 and 2018 years. Purchased food is valued at cost. USDA commodities are valued based on published USDA fair market values by KPMG Accounting Firm.

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment, net

Property and equipment additions costing more than \$2,000 or having a fair market value over \$2,000 are capitalized. Depreciation is computed by using the straight-line method over the estimated useful lives of assets, which range from 3 to 40 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consist of interest and dividend income. Realized and unrealized capital gains and losses are recorded less external and direct internal investment expenses. As of December 31, 2019, the Organization does not have any investments, see Note 4.

Net Assets

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

Net Assets Without Donor Restrictions- Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers contribute significant amounts of time to our program services, administration, and fund raising and development activities; however, the financial statements do not reflect the value of those contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Volunteer hours totaled approximately 57,563 and 27,777 hours for 2019 and 2018, respectively. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received.

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services and In-Kind Contributions (continued)

The Organization received donated goods, services, and materials of \$20,318 and \$56,299 for 2019 and 2018, respectively.

Advertising Cost

Advertising costs are expensed as incurred. Advertising expense was \$63,772 and \$93,565 during the years ended December 31, 2019 and 2018, respectively, and are included as promotion/marketing and printing on the statement of Functional Expenses.

Functional Expense Allocation

The costs of programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Income Taxes

El Pasoans Fighting Hunger Food Bank is a nonprofit Organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Generally, tax years that remain subject to examination for three years after filed remain open to examination. The Organization's federal income tax returns for the tax years 2018, 2017 and 2016 remain subject to examination by the Internal Revenue Service. The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that the entity filed an Exempt Organization Business Income Tax Return (Form 990-T) for 2018 with the IRS to report its unrelated business taxable income, the tax for 2018 was \$5,988. For 2019, the Organization did not have any unrelated business taxable income therefore did not file Form 990-T.

Use of Estimates

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

Financial Instruments and Credit Risk

Deposit concentration risk are managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or included uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. The Organization maintains cash balances at WestStar Bank financial institution. Accounts are insured by the Federal Deposit Insurance Corporation's (FDIC) up to \$250,000. The Organization's uninsured balance totaled \$820,183 and \$371,838 for the years 2019 and 2018, respectively.

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Accrued Compensated Absences

The Company does not accrue for compensated absences because the amount of the obligation cannot be reasonable estimated.

Subsequent Events

The Organization has evaluated subsequent events through September 18, 2020, the date the consolidated financial statements were available to be issued.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2019	2018
Cash and cash equivalents	\$ 1,486,127	\$ 688,603
Accounts receivable	226,484	30,983
Grants receivable	515,587	162,316
Current liabilities	(315,215)	(214,402)
Total	\$ 1,912,983	\$ 667,500

NOTE 3. FAIR VALUE MEASUREMENT DISCLOSURES

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1—Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2—Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 3. FAIR VALUE MEASUREMENT DISCLOSURES (continued)

Level 3—Measurement based on the Organization’s assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

On December 31, 2019, the Organization’s investments consist of cash, cash equivalents, and savings account. The valuations of the Organization’s investments according to the fair value hierarchy are all Level 1.

NOTE 4. INVESTMENTS

The Investment account was closed on November 18, 2019. The amount of \$239,160 was transferred to WestStar Bank checking account.

Investments are stated at fair value and consist of the following for December 31, 2018:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual funds equity	\$ 80,122	\$ 72,106	\$ (8,016)
Mutual funds fixed taxable	99,307	98,260	(1,047)
Mutual funds alternative	20,233	19,487	(746)
Mutual funds real assets	19,076	17,983	(1,093)
Total:	\$ 218,738	\$ 207,836	\$ (10,902)

The following schedule summarizes the investment return and its classification in the Statements of Activities for December 31, 2018:

	<u>2018</u>
Investment income (loss)	\$ <u>35,134</u>
Unrealized gain (loss)	10,902
Realized gain (loss)	<u>12,057</u>
Gain (loss) on investments	<u>22,959</u>
Less: Investment fees	<u>1,848</u>
Net investment income (loss)	<u>\$ (14,023)</u>

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 5. INVENTORY

Inventory consisted of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Donated food	\$1,669,292	\$ 157,899
CSFP	457,758	0
NSLP	256,548	0
USDA commodities	<u>1,717,042</u>	<u>422,828</u>
Total	<u>\$ 4,100,640</u>	<u>\$ 580,727</u>

Inventory turnover for the year ended December 31, 2019 and 2018 is as follows:

	<u>2019</u>		<u>2018</u>	
	Pounds Received	Pounds Distributed	Pounds Received	Pounds Distributed
Donated food	16,742,676	15,715,283	10,826,305	10,444,145
USDA commodities	15,058,223	13,092,682	3,313,722	3,144,492
NSLP	1,139,201	1,386,540	0	0
Purchased food	0	0	1,410,567	1,368,567
Total	<u>32,940,100</u>	<u>30,194,505</u>	<u>15,550,594</u>	<u>14,957,204</u>

NOTE 6. PROMISES TO GIVE

Reflected on the Statement of Financial Position are \$971,101 and \$647,436 for unconditional promises to give for the year ending December 31, 2019 and 2018, respectively. This consists of temporarily restricted amounts to be used for purchase of property and equipment. The statement reflects an amount net of a present value discount of 2.3% for both December 31, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Unconditional promise to give	\$ 1,028,062	\$ 682,525
Less: Present value discount	<u>56,961</u>	<u>35,089</u>
Total promises to give – present value	<u>971,101</u>	<u>647,436</u>
Receivable in less than one year	767,000	164,558
Receivable in one to five years	<u>261,062</u>	<u>517,967</u>
Total unconditional promises to give	<u>1,028,062</u>	<u>682,525</u>
Less discounts to net present value	<u>56,961</u>	<u>35,089</u>
Net unconditional promises to give	<u>\$ 971,101</u>	<u>\$ 647,436</u>

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 7. PROPERTY AND EQUIPMENT

On December 31, 2019 and 2018, property and equipment and accumulated depreciation consisted of the following:

	<u>Useful life</u>	<u>2019</u>	<u>2018</u>
Land		\$ 200,000	\$ 200,000
Building and improvements	40 years	1,947,755	1,947,755
Building improvements	40 years	318,600	296,929
Equipment	3-10 years	2,040,683	706,683
Vehicle equipment	5-15 years	1,201,549	969,738
Computer network	3-5 years	53,504	53,504
Construction in progress		<u>219,298</u>	<u>0</u>
Total property and equipment		\$ 5,981,389	\$ 4,174,609
Less: accumulated depreciation		<u>964,975</u>	<u>689,494</u>
Net property and equipment		<u>\$ 5,016,414</u>	<u>\$ 3,476,115</u>

Depreciation expense for the year totaled \$253,626 and \$166,200 for years ended December 31, 2019 and 2018, respectively.

NOTE 8. NOTE PAYABLE

The Organization obtained an additional loan (loan number 90054660) on February 2019. The loan is for \$1,400,000, initial fixed rate of 5.25% through May 2024, (interest rate is variable after 5 years), with minimum annual payments of \$100,000, loan matures on May 13, 2029. This loan will be used for building and refrigerator/freezer improvements. The note is secured by property located at 9541 Plaza Circle and guaranteed by a board member.

Note payable (loan number 90019156) is a \$900,000 promissory note payable, with an original maturity of April 2013 with a fixed interest rate of 6%. The note was renewed in April 2014 with an interest rate of 4.75% and was due October 2016. In May 2016, the note was renewed and increased the building promissory loan up to an additional \$1,000,000 (maximum available principal amount was \$1,500,000) with an interest rate of 4.75%. The additional loan amount was to replace the roof at the property located at 9541 Plaza Circle. No addition drawn downs were available as of May 2017. The note is secured by property located at 9541 Plaza Circle and guaranteed by a board member. Interest only payments are due monthly with a minimal annual principal reduction of \$100,000. The remaining principal and unpaid interest are due in a balloon payment upon maturity which is May 2021.

The Organization has a revolving line of credit for \$400,000, interest is variable based on Wall Street Journal Prime Rate. Loans are secured by the Organization's building, building improvements, equipment, furniture, and fixtures. As of December 31, 2019, the Organization has a zero balance for the line of credit.

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 8. NOTE PAYABLE (continued)

	<u>2019</u>	<u>2018</u>
Note payable number 9156	\$ 900,000	\$1,000,000
Note payable number 4660	<u>1,400,000</u>	<u>0</u>
Total	2,300,000	1,000,000
Less current portion	<u>200,000</u>	<u>100,000</u>
Long-term portion	<u>\$2,100,000</u>	<u>\$ 900,000</u>

Note payable payments are as follow:

<u>Year</u>	<u>Note Payable – 9156</u>	<u>Note Payable - 4660</u>
2020	\$ 100,000	\$ 100,000
2021	800,000	100,000
2022	0	100,000
2023	0	100,000
<u>2024 and thereafter</u>	<u>0</u>	<u>1,000,000</u>
Total	<u>\$ 900,000</u>	<u>\$ 1,400,000</u>

NOTE 9. RELATED PARTY

Effective July 1, 2016, the Organization established a Member's Membership in the national Network of Feeding America. This Member Contract supersedes the Feeding America Member Contract entered by and between the Member and Feeding America dated October 1, 2009.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Through the normal course of operations, the Organization receives contributions and other pledges from various entities. These activities may be subject to audit by donors, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management believes that the liability, if any, for any requirements which may arise as a result of such audits, would not be material.

NOTE 11. FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 12. DONOR RESTRICTIONS ON NET ASSETS

Substantially all donor with restriction net assets related to contributions received and pledges for specific programs and purposes will be satisfied after year-end. Donor with restriction net assets are as follows:

	<u>2019</u>	<u>2018</u>
Capital campaign	\$ 607,600	\$ 609,235
Burkitt Foundation - purchase of equipment	30,000	23,924
Feeding America - SNAP coordinator	0	45,731
Moleen Family Foundation - mobile pantries	0	30,000
Albertson's - EI Paso school pantries	0	31,156
C&F King Foundation - purchase of vehicle equipment	0	50,000
Equipment – truck and utility truck donated	<u>250,034</u>	<u>0</u>
Total	<u>\$ 887,634</u>	<u>\$ 790,046</u>

The Capital Campaign was established to raise funds to purchase a new warehouse/office building, improvements to the building and purchase equipment. The Organization acquired the building during 2012 and secured a note payable of \$900,000 (See Note 8). Restrictions are considered to expire when payments are made for improvements to building, purchase of equipment, and payments on the note payable (principal and interest). The building was placed in service in 2013.

NOTE 13. DIRECT MAIL

For the year ended December 31, 2019 and 2018, direct mail produced the following results:

	<u>2019</u>	<u>2018</u>
Direct mail contributions	\$ 201,701	\$ 180,190
Direct mail expense	88,603	63,534
Direct mail match back	<u>136,902</u>	<u>0</u>
Net direct mail results	<u>\$ 250,000</u>	<u>\$ 116,656</u>

SUPPLEMENTARY INFORMATION

**EL PASOANS FIGHTING HUNGER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019**

Federal Grantor/Pass through Grantor Programs	Federal CFDA Number	Pass-through Grantor's Number	Direct Awards	Pass-through Awards	Total	Subrecipients Expenditures
US Department of Agriculture SNAP Cluster Pass Through Feeding Texas SNAP Nutrition Education & Obesity Prevention Community Based Outreach & Application Assistance Services	10.561	529-16-000-00002		\$ 110,350	\$ 110,350	
	10.551	529-16-0067-00001C		84,161	84,161	
Total SNAP Cluster				\$ 194,511	\$ 194,511	\$ -
Food Distribution Cluster Pass through Texas Department of Agriculture and Feeding Texas Community Supplemental Food Program Commodity Supplemental Food Program- (CSFP) Food Commodities	10.565	N/A		\$ 378,580	\$ 378,580	
	10.565	N/A		845,618	845,618	
Emergency Food Program-Food Commodities (TEFAP)	10.569	806780706		4,184,048	4,184,048	
Emergency Food Program-Administrative Costs	10.568	806780706		929,235	929,235	
Emergency Food Program-Trade Mitigation Food Commodities	10.178	806780706		5,962,580	5,962,580	
Emergency Food Program-Trade Mitigation Administrative Cost	10.178	806780706		348,825	348,825	
Total Food Distribution Cluster				\$ 12,648,886	\$ 12,648,886	\$ -
US Department of Homeland Security Pass Through El Paso County Emergency Food and Shelter National Board Programs	97.024	LRO-803600-030	LRO-803600-030	\$ 67,929	\$ 67,929	
Total from US Department of Homeland Security				\$ 67,929	\$ 67,929	
Total /Federal Awards Expended				\$ 12,911,326	\$ 12,911,326	\$ -

See accompanying notes to financial statements and independent auditor's report.

EL PASOANS FIGHTING HUNGER FOOD BANK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2019 and 2018

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of El Pasoans Fighting Hunger (a nonprofit organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3. FOOD DISTRIBUTION

Non-cash assistance is reported in the schedule at the fair market value of the commodities received and distributed. USDA food commodities inventory on hand total \$4,100,640 as of December 31, 2019.

NOTE 4. CONTINGENCIES

The Organization had in effect for the fiscal year ended December 31, 2019, the following insurance coverage:

General Liability	\$ 2,000,000
Umbrella	\$ 1,000,000
Workers Compensation	\$ 500,000



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 of
El Pasoans Fighting Hunger Food Bank

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 El Pasoans Fighting Hunger Food Bank (a nonprofit Organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, changes in net assets, 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 September 18, 2020.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 El Pasoans Fighting Hunger Food Bank's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing*

Purpose of this Report

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

A handwritten signature in black ink that reads "Clifford Rowland Bush & Cooper". The signature is written in a cursive, slightly slanted style.

El Paso, TX
September 18, 2020



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 of
El Pasoans Fighting Hunger Food Bank

Report on Compliance for Each Major Federal Program

We have audited El Pasoans Fighting Hunger Food Bank's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of El Pasoans Fighting Hunger Food Bank's major federal programs for the year ended December 31, 2019. El Pasoans Fighting Hunger Food Bank's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of El Pasoans Fighting Hunger Food Bank's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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* (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 El Pasoans Fighting Hunger Food Bank's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, El Pasoans Fighting Hunger Food Bank complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

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

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

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

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



El Paso, TX
September 18, 2020

EL PASOANS FIGHTING HUNGER FOOD BANK
Schedule of Findings and Questioned Costs
December 31, 2019

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weaknesses(es) identified? _____ Yes X No
- Significant deficiency identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance with major programs:

Unmodified

Finding and questioned costs for Federal Awards as defined in Title 2 U.S. Code of Federal Regulations Part 200 Administrative Requirements, Costs Principles and Audit Requirements of Federal Awards (Uniform Guidance)

_____ Yes X No

Major programs:

CFDA #

a) Emergency Food Program-Trade Mitigation Food Commodities

10.178

- Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
- Auditee qualified as a low-risk auditee? _____ X Yes _____ No

**EL PASOANS FIGHTING HUNGER FOOD BANK
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2019**

Section II - Financial Statement Findings

Current Year Findings

None

**EL PASOANS FIGHTING HUNGER FOOD BANK
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2019**

Prior Year Findings

2018-01: Payroll is not being calculated according to the Department of Labor guidelines.

– Closed and not repeated in current year.

**EL PASOANS FIGHTING HUNGER FOOD BANK
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2019**

Section III- Findings and Questioned Costs - Major Federal Awards Programs Audit Current Year Findings

Current Year Findings

None

Prior Year Findings

None