

OREGON FOOD BANK, INC.

**Audited Financial
Statements
And Reports Required
By OMB Circular A-133**

**For the Year Ended
June 30, 2009**



MCDONALD JACOBS

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Oregon Food Bank, Inc.
Portland, Oregon

We have audited the accompanying statement of financial position of Oregon Food Bank, Inc. (a nonprofit corporation) as of June 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2008 financial statements and, in our report dated October 15, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oregon Food Bank, Inc. as of June 30, 2009 and 2008, and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Strength in Numbers

- 1 -

ACCOUNTANTS & CONSULTANTS

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In accordance with *Government Auditing Standards*, we have also issued our report date September 14, 2009, on our consideration of Oregon Food Bank, Inc.'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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

McDonald Jacobson, P.C.

September 14, 2009

OREGON FOOD BANK, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2009
(With comparative totals for 2008)

	2009	2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 219,645	\$ 652,333
Accounts and other receivables	826,954	412,502
Pledges receivable	99,500	60,000
Certificates of deposit	9,448,497	6,031,664
Inventory	4,106,436	4,186,420
Prepaid expenses and unemployment deposit	479,867	586,975
Total current assets	15,180,899	11,929,894
Designated quasi-endowment investment	1,657,469	1,698,980
Designated investments for annuity agreements	326,456	200,085
Pledges, net of current portion	141,300	112,693
Property and equipment, net	12,600,011	8,715,212
TOTAL ASSETS	\$ 29,906,135	\$ 22,656,864
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 361,521	\$ 135,179
Agency pass-through payable	234,663	166,863
Accrued payroll and vacation	347,670	287,123
Advance deposits	317,647	269,454
Annuity agreement liability, current portion	33,143	16,223
Total current liabilities	1,294,644	874,842
Note payable	1,950,000	-
Annuity agreement liability, less current portion	202,395	134,891
Total liabilities	3,447,039	1,009,733
Net assets:		
Unrestricted:		
Undesignated	6,771,680	4,729,770
Board designated	4,648,469	4,195,980
Net property and equipment	10,650,011	8,715,212
Total unrestricted	22,070,160	17,640,962
Temporarily restricted	4,388,936	4,006,169
Total net assets	26,459,096	21,647,131
TOTAL LIABILITIES AND NET ASSETS	\$ 29,906,135	\$ 22,656,864

See notes to financial statements.

OREGON FOOD BANK, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2009
(With comparative totals for 2008)

	2009			2008 Total
	Unrestricted	Temporarily Restricted	Total	
Support and revenue:				
Contributions	\$ 10,455,010	\$ 300,135	\$ 10,755,145	\$ 8,600,481
Waterfront Blues Festival, net of expenses of \$1,149,216 for 2009 and \$1,323,240 for 2008	495,697	-	495,697	392,287
Harvest dinner, net of expenses of \$153,242 for 2009 and \$136,299 for 2008	298,636	-	298,636	430,108
Community fundraising drives	1,450,606	-	1,450,606	1,010,115
Government support	2,741,194	-	2,741,194	1,419,904
Share contributions	682,453	-	682,453	788,027
Food to buy program	1,846,185	-	1,846,185	1,487,336
Government commodities	-	6,651,036	6,651,036	2,819,199
Net investment income (loss)	(77,996)	-	(77,996)	222,357
Donated goods and services	93,811	27,571,014	27,664,825	27,898,348
Net assets released from restrictions:				
Satisfaction of purpose restrictions	34,507,726	(34,507,726)	-	-
Total support and revenue	52,493,322	14,459	52,507,781	45,068,162
Expenses:				
Food collection, warehousing and distribution programs	45,720,323	-	45,720,323	39,311,635
Advocacy	428,707	-	428,707	344,590
Other programs	185,157	-	185,157	192,710
Total program services	46,334,187	-	46,334,187	39,848,935
Supporting services:				
Management and general	888,360	-	888,360	738,909
Fundraising	1,727,042	-	1,727,042	1,421,108
Total expenses	48,949,589	-	48,949,589	42,008,952
 Change in net assets from operations	 3,543,733	 14,459	 3,558,192	 3,059,210
Capital campaign contributions	-	368,308	368,308	-
Donated materials and services	-	885,465	885,465	-
Net assets released from restriction upon acquisition of property and expenditures incurred	885,465	(885,465)	-	-
 Change in net assets	 4,429,198	 382,767	 4,811,965	 3,059,210
Net assets:				
Beginning of year	17,640,962	4,006,169	21,647,131	18,587,921
End of year	\$ 22,070,160	\$ 4,388,936	\$ 26,459,096	\$ 21,647,131

See notes to financial statements.

OREGON FOOD BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2009
(With comparative totals for 2008)

	2009					2008 Total
	Food Programs	Advocacy and Other Programs	Management and General	Fund Raising	Total	
Operating Activities:						
Salaries and related expenses	\$ 3,766,273	\$ 460,794	\$ 510,451	\$ 1,163,920	\$ 5,901,438	\$ 5,322,562
Purchased contract services	50,965	32,308	60,099	25,380	168,752	83,148
Supplies and miscellaneous	146,612	7,904	33,143	65,487	253,146	153,924
Telephone and computer support	115,367	15,618	45,992	35,693	212,670	212,460
Postage and shipping	8,611	5,025	1,779	72,017	87,432	100,387
Transportation	298,823	48	-	-	298,871	442,297
Occupancy	369,123	19,298	30,822	19,343	438,586	394,897
Insurance	80,591	1,231	8,614	2,898	93,334	84,264
Equipment and maintenance	119,027	2,821	55,892	16,783	194,523	125,445
Printing and publications	30,678	13,334	3,376	166,298	213,686	189,157
Travel	72,373	19,749	8,888	8,630	109,640	84,978
Conferences and meetings	58,759	15,453	31,063	13,170	118,445	99,286
Food related costs	199,426	5,992	-	-	205,418	295,677
Dues and fees	23,854	2,985	73,231	115,828	215,898	182,597
Agency grants - Discretionary	576,872	-	-	-	576,872	198,491
Depreciation	437,878	11,304	25,010	21,595	495,787	465,117
Total operating activities	<u>6,355,232</u>	<u>613,864</u>	<u>888,360</u>	<u>1,727,042</u>	<u>9,584,498</u>	<u>8,434,687</u>
Pass-Through Activities:						
Federal	319,788	-	-	-	319,788	176,525
State	916,211	-	-	-	916,211	163,707
Other pass-through	110,929	-	-	-	110,929	273,516
Change in value of annuity agreements and payments	26,408	-	-	-	26,408	15,532
Total pass-through activities	<u>1,373,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,373,336</u>	<u>629,280</u>
Value of Product Distributed:						
USDA/TEFAP goods distributed	6,214,605	-	-	-	6,214,605	2,723,926
Donated goods distributed	28,140,415	-	-	-	28,140,415	27,403,551
Food to buy goods distributed	2,163,612	-	-	-	2,163,612	1,623,421
Purchased product distributed	1,473,123	-	-	-	1,473,123	1,194,087
Total value of product distributed	<u>37,991,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,991,755</u>	<u>32,944,985</u>
Total expenses	<u>\$ 45,720,323</u>	<u>\$ 613,864</u>	<u>\$ 888,360</u>	<u>\$ 1,727,042</u>	<u>\$ 48,949,589</u>	<u>\$ 42,008,952</u>

See notes to financial statements.

OREGON FOOD BANK, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2009
(With comparative totals for 2008)

	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ 4,811,965	\$ 3,059,210
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	495,787	465,117
Contributions restricted to capital campaign	(368,308)	-
In-kind donation of property and equipment	(850,000)	-
Gain on sale of assets	(2,000)	(4,500)
Net realized/unrealized loss on investments	430,157	45,803
(Increase) decrease in:		
Accounts and pledges receivable	(361,759)	17,541
Inventory	79,984	(963,963)
Prepaid expenses and unemployment deposit	107,108	(145,019)
Increase (decrease) in:		
Accounts payable and accrued expenses	286,889	100,576
Agency pass-through payable	67,800	140,469
Reserve for return	-	(165,291)
Advance deposits	48,193	(95,731)
Annuity agreements	(41,947)	13,036
Net cash provided by operating activities	4,703,869	2,467,248
Cash flows from investing activities:		
Purchase of property and equipment	(1,580,586)	(322,909)
Proceeds from the sale of assets	2,000	4,500
Proceeds from investments and certificates of deposit	106,371	139,540
Additions to investments and certificates of deposit	(3,953,361)	(3,180,078)
Additions to designated investments and certificates of deposit	41,511	(81,818)
Net cash used in investing activities	(5,384,065)	(3,440,765)
Cash flows from financing activities:		
Contributions restricted to capital campaign	247,508	-
Net cash provided by financing activities	247,508	-
Net decrease in cash and cash equivalents	(432,688)	(973,517)
Cash and cash equivalents - beginning of year	652,333	1,625,850
Cash and cash equivalents - end of year	\$ 219,645	\$ 652,333

See notes to financial statements.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

1. DESCRIPTION OF THE ORGANIZATION

Oregon Food Bank's (OFB or the Organization) mission is to eliminate hunger and its root causes ... *because no one should be hungry.*

OFB formed in 1988, when Interagency Food Bank merged with Oregon Food Share. The Interagency Food Bank collected and distributed donated food in the Portland metropolitan area; Oregon Food Share collected and distributed donated food to Interagency Food Bank and the rest of the state of Oregon. Today OFB serves as the hub of a network of hunger relief agencies that serve Oregon's 36 counties, and Clark County, Washington.

Food is received from farms, manufacturers, wholesalers, retailers and individuals. OFB is authorized through the State of Oregon to receive commodities from the United States Department of Agriculture (USDA) for distribution in Oregon. Oregon Food Bank also purchases food to supplement donations received.

Food is distributed to twenty Regional Food Banks (RFBs) in Oregon and Clark County, Washington. The RFBs in turn, distribute the food to 935 (915 during the year ended June 30, 2008) food pantries, soup kitchens, shelters, and other programs that offer assistance to low-income individuals and families. These programs are referred to as Local Agencies (LA's).

OFB operates four of the twenty regional food banks. The number of sites and agencies served by Oregon Food Bank's RFBs are:

	As of June 30	
	<u>2009</u>	<u>2008</u>
Metro	220	205
Washington County	117	106
Southeast Oregon	18	12
Tillamook County	25	20

In addition to collecting and distributing food, OFB operates advocacy and public education programs. Advocacy efforts focus on outreach to underserved populations, research, and public policy issues that affect the root causes of hunger. In addition, "Learning Gardens" and nutrition education programs seek to increase peoples' abilities to grow, purchase and prepare their own food.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

1. DESCRIPTION OF THE ORGANIZATION, Continued

OFB secures funding for and acts as a pass-through fiscal agent of funds and food for RFBs and selected local agencies. OFB is a certified member of Feeding America, a national hunger-relief organization of food banks and food rescue organizations.

U.S. Government Programs

The Emergency Food Assistance Program (TEFAP)

TEFAP supplements the diets of some low-income Americans, by providing them with emergency food and nutrition assistance at no cost. The U.S. Department of Agriculture (USDA) allocates TEFAP commodities to each state. States designate an agency to order, store, distribute and track TEFAP commodities, as well as monitor distribution sites. These distribution sites provide the commodities for household consumption or use them to prepare and serve meals in a congregate setting. Recipients of food for home use must meet income eligibility criteria set by the states. Recipients of foods prepared from USDA commodities at congregate feeding sites are presumed to be low income and are therefore not subject to eligibility criteria.

Oregon Housing and Community Services (OHCS) is the designated state agency responsible for oversight of TEFAP commodities and operating funds. OHCS has contracted with OFB to serve as the State Coordinating Agency (SCA) for distributing TEFAP commodities and operating funds.

As an SCA, OFB contracts with RFBs for the distribution of commodities to local agencies (LAs) who distribute food to low-income people. In addition, as an RFB, OFB contracts with LAs in Clackamas, Multnomah, Washington, Tillamook, Malheur and Harney counties, to distribute commodities to low-income people.

Agencies receiving commodities for distribution must be members in good standing with OFB and meet the State and Federal requirements for eligibility which include tax exempt status, capacity to ensure accountability through proper record keeping and inventory procedures, and safe storage and distribution practices. Agencies also must complete and sign the USDA Sub-Distribution Agreement (for emergency food box programs, (EFB)) or Congregate Meal Site (CMS) Agreement.

TEFAP funds are allocated to the RFBs using the 2000 US Census county-level statistics in Oregon for poverty (weighted 60%) and unemployment (weighted 40%). Unemployment figures are updated twice each year.

TEFAP commodities are allocated using the same formula after a .75% base allocation is allotted to each RFB.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

1. DESCRIPTION OF THE ORGANIZATION, Continued

Regional Food Banks submit reimbursement requests to OFB for their personnel, storage, distribution and other related expenses. Reimbursement for these expenses, up to the allocated amount of funds available, represents grants of federal funds to subrecipients.

A portion of direct costs of personnel, storage, and distribution expenses incurred by OFB and RFBs for the USDA commodities are reimbursed by the State of Oregon using funds provided by the United States Department of Agriculture through the Emergency Food Assistance Program (TEFAP).

Emergency Food and Shelter Program (EFSP)

Oregon Food Bank makes bulk purchases of food for local agencies in Clackamas, Multnomah, Washington, and Malheur counties. It is reimbursed for its bulk purchases with funds from the U.S. Federal Emergency Management Agency (FEMA) Emergency Food and Shelter Program (EFSP) which are passed through by government or other agencies.

Continued funding levels of TEFAP and FEMA EFSP programs are subject to annual renewal by the Congress of the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as unrestricted or restricted net assets. Unrestricted net assets are those that are not subject to donor-imposed stipulations. Temporarily restricted net assets are subject to donor-imposed stipulations that will be met, either by actions of the Organization and/or the passage of time.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Investments

Investments are held in marketable securities and are carried at fair value.

Inventory

Inventory, determined by the standard cost method, consists of donated food and grocery products, US Department of Agriculture (USDA) commodities and purchased product. The donated goods inventory is stated at \$1.50 per pound, which is the estimated wholesale fair market value of the donation. USDA commodities are stated at the value provided by the Department of Agriculture as of June 30 of the prior fiscal year and used for the subsequent fiscal year. Purchased product inventory is stated at average cost.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

Depreciation

Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 40 years.

Income Tax Status

Oregon Food Bank, Inc. is a nonprofit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. The Organization is not a private foundation.

Donated Assets and Services

Donations of food and grocery products by the food industry, other businesses, community organizations and individuals are recorded as support at their estimated wholesale fair market value currently stated at \$1.50 per pound. To arrive at the estimated wholesale fair market value per pound OFB uses the approximate average value for the past five years based on an independent accountants' report to Feeding America (formerly known as America's Second Harvest: The Nation's Food Bank Network). The two most recent reports valued donated product at \$1.58 and \$1.49 in calendar years 2009 and 2008, respectively.

Approximately 18.4 million and 18.6 million pounds of donated product were received from the above referenced sources during the years ended June 30, 2009 and 2008, respectively.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Donated Assets and Services, Continued

Inventory of current year-product donations not distributed is reflected as a temporarily restricted net asset.

Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been reflected in the financial statements for donated services which do not require specialized skills. However, a substantial number of volunteers have donated their time in various OFB programs and special events.

Pledges Receivable

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable.

Restricted and Unrestricted Revenue and Support

Support from contributions that are restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Advertising

Advertising costs are charged to expense as incurred.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summarized Financial Information for 2008

The financial information as of June 30, 2008 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

3. ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and consist of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Share contributions and food-to-buy receivable from regional food banks and local agencies, net of allowance for doubtful accounts of \$1,000	\$ 202,818	\$ 111,746
Federal and state appropriations	593,291	300,756
Other	<u>30,845</u>	<u>-</u>
Total accounts receivable	<u>\$ 826,954</u>	<u>\$ 412,502</u>

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

4. PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give as follows:

	<u>2009</u>	<u>2008</u>
Receivable within one year	\$ 99,500	\$ 60,000
Receivable in two to five years	121,300	100,000
Receivable in more than five years	<u>20,000</u>	<u>20,000</u>
	240,800	180,000
Discount on pledges due in more than one year	<u>-</u>	<u>7,307</u>
Net pledges receivable	<u>\$ 240,800</u>	<u>\$ 172,693</u>
Current pledges	\$ 99,500	\$ 60,000
Long-term pledges	<u>141,300</u>	<u>112,963</u>
Total pledges receivable	<u>\$ 240,800</u>	<u>\$ 172,963</u>

Long-term contributions receivable were discounted to present value at June 30, 2008 using a discount rate of approximately 2%.

5. CERTIFICATES OF DEPOSIT

Certificates of deposit earn interest at rates ranging from .38% to 5.15% and have maturity dates monthly through December 2010.

6. INVENTORY

Inventory amounts are restricted to distribution programs serving the needy. Therefore, the value of ending inventory which has been donated is reflected as a temporarily restricted contribution. Distribution of donated inventory on hand at the beginning of the year is reflected in the Statement of Activities as net assets released from restrictions during the year. Inventory consisted of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Donated product	\$ 2,743,722	\$ 3,313,124
USDA Food	776,182	336,144
Purchased product	<u>586,532</u>	<u>537,152</u>
	\$ 4,106,436	\$ 4,186,420

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

7. UNEMPLOYMENT DEPOSIT

Deposits include a certificate of deposit in the amount of \$84,243 and \$78,132 at June 30, 2009 and 2008 , respectively, posted with the State of Oregon, Department of Employment, under a special election to self-insure unemployment claims in lieu of making unemployment tax payments.

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Land	\$ 3,289,142	\$ 2,263,142
Buildings	6,994,311	6,985,377
Office furniture and equipment	414,975	393,614
Computer equipment and software	559,947	492,994
Warehouse equipment	824,750	697,361
Vehicles	1,554,662	1,460,326
Artwork	13,800	13,800
Construction in progress	<u>3,017,266</u>	<u>-</u>
	16,668,853	12,306,614
Less accumulated depreciation	<u>4,068,842</u>	<u>3,591,402</u>
Property and equipment, net	<u>\$ 12,600,011</u>	<u>\$ 8,715,212</u>

9. NOTE PAYABLE

During the fiscal year ended June 30, 2009, the Organization acquired a new property in Washington County partially financed by a note payable.

This note payable consists of a mortgage payable to an unrelated entity in the amount of \$1,950,000 with interest at 6.00% per annum, secured by land and building. Interest only payments are due monthly. The note payable matures October 2013. See Note 18 for additional detail.

Interest paid during the year ended June 30, 2009 totaled \$83,322. All interest paid has been capitalized to construction in progress.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

10. ANNUITY AGREEMENTS

OFB has entered into charitable gift annuity agreements with donors. Under the agreements, OFB is required to pay a guaranteed amount (annuity) for the lifetime of the donor or beneficiary (annuitant). Unless restricted by the donor, the remainder is placed in the Board directed fund for endowment.

OFB's charitable gift annuity funds are held in a separate trust, which is managed in accordance with the trust's investment policy. Assets are invested in marketable securities and totaled \$326,456 and \$200,085 at June 30, 2009 and 2008, respectively.

As trustees, the Organization is obligated to make annuity payments under 13 charitable gift annuity agreements to 7 annuitants (11 agreements to 7 annuitants in 2008). Under the terms of the agreements, the donors receive payments over the donors' remaining lives. Using discount rates of 4.5%-6.0%, the estimated present value of the Organization's liability under these agreements is \$235,538 and \$151,114 at June 30, 2009 and 2008, respectively.

11. LEASE COMMITMENTS

The Organization leases warehouse space in Washington County under a non-cancellable operating lease which expires June 2010. The Organization intends to vacate the location at that time. Monthly rent under the lease is \$8,745.

The Organization leases office and warehouse space in Ontario, Oregon under a non-cancellable operating lease which expires June 2011 and may be renewed for five additional years. Monthly rent under the lease is \$1,500 with scheduled increases.

The Organization leases office and warehouse space in Tillamook, Oregon under a month-to-month lease.

Total rent expense under these leases approximated \$123,000 and \$108,000 for the years ended June 30, 2009 and 2008, respectively.

Future minimum lease payments under non-cancellable leases are as follows:

June 30, 2010	\$	123,840
2011		18,900

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

12. CONTINGENCIES

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.

13. BOARD DESIGNATED NET ASSETS

Board designated net assets consist of the following at June 30, 2009 and 2008:

	2009	2008
Quasi-endowment	\$ 1,657,469	\$ 1,698,980
Network support	250,000	250,000
Strategic plan	491,000	497,000
Food purchase reserve	1,000,000	500,000
Capital improvement	1,250,000	1,250,000
Total Board designated net assets	\$ 4,648,469	\$ 4,195,980

Undesignated net assets consist of \$6,771,680 and \$4,729,770 at June 30, 2009 and 2008, respectively.

Quasi-Endowment

On February 25, 1998, the Board of Directors adopted a policy to establish a quasi-endowment investment account at the Oregon Community Foundation (OCF). This policy expresses the intent of the Board of Directors to apply the income from the quasi-endowment fund in such amounts as they may determine, to provide a long-term source of revenue to supplement the Annual Fund and to protect major capital investments in order to best serve the mission of the Oregon Food Bank and achieve its long-term strategic goals. OCF was not given variance power under the agreement. The funds may be withdrawn upon a majority vote of all the Board of Directors of Oregon Food Bank and if, in the sole judgment of the Board of Directors of OCF, the requested distribution is consistent with the objectives and purposes of Oregon Food Bank and with the charitable, educational, and scientific needs of the State of Oregon.

OCF establishes policies on the amount that may be distributed or paid out annually from the endowment fund to OFB. Distributions from OCF totaled \$79,963 and \$64,423 during the years ended June 30, 2009 and 2008, respectively.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

13. BOARD DESIGNATED NET ASSETS, Continued

Investments with estimated fair value of \$1,372,962 and \$1,698,980 are recorded on the statements of financial position at June 30, 2009 and 2008, respectively. Additional amounts designated by the board for the quasi-endowment include cash of \$284,507 at June 30, 2009.

To achieve its objective, the Organization has invested assets primarily with OCF which maintains a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions to support operations. Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return consistent with the market. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Composition of and changes in endowment assets for the year ended June 30, 2009 were as follows:

Board designated endowment net assets, beginning of year	\$ 1,698,980
Assets designated during the year	400,050
Investment return, net of expenses	(361,598)
Amounts appropriated for food purchase	<u>(79,963)</u>
 Board designated endowment net assets, end of year	 \$ <u>1,657,469</u>

14. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Food Distribution:		
Donated product	\$ 2,743,722	\$ 3,313,123
USDA food	776,182	336,144
Unemployment insurance deposit	84,243	78,132
Capital campaign	368,308	-
Other program and time restricted	<u>416,481</u>	<u>278,770</u>
 Total temporarily restricted net assets	 \$ <u>4,388,936</u>	 \$ <u>4,006,169</u>

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

15. CONTRIBUTION REVENUE

Contribution revenue, excluding capital campaign contributions, consists of the following during the years ended June 30, 2009 and 2008:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>June 30, 2009</u>			
Individuals	\$ 7,063,839	\$ 39,975	\$ 7,103,814
Foundations	2,372,290	120,000	2,492,290
Corporations	811,626	140,160	951,786
Social and religious	<u>207,255</u>	<u>-</u>	<u>207,255</u>
Total contributions	<u>\$ 10,455,010</u>	<u>\$ 300,135</u>	<u>\$ 10,755,145</u>
<u>June 30, 2008</u>			
Individuals	\$ 5,403,731	\$ -	\$ 5,403,731
Foundations	1,832,985	208,391	2,041,376
Corporations	1,084,932	-	1,084,932
Social and religious	<u>70,442</u>	<u>-</u>	<u>70,442</u>
Total contributions	<u>\$ 8,392,090</u>	<u>\$ 208,391</u>	<u>\$ 8,600,481</u>

16. FOOD COLLECTION, WAREHOUSING AND DISTRIBUTION PROGRAMS

Expenses related to food collection, warehousing and distributions programs consists of the following during the years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Statewide food bank services	\$ 23,860,886	\$ 20,413,880
Clackamas, Multnomah and Clark Counties	15,888,501	13,666,319
Washington County	4,352,549	3,940,202
SE Oregon-Harney and Malheur Counties	922,838	731,883
Tillamook County	<u>695,549</u>	<u>559,351</u>
Total food collection, warehousing, and distribution expenses	<u>\$ 45,720,323</u>	<u>\$ 39,311,635</u>

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

17. RETIREMENT PLAN

The Organization's retirement plan includes the employee salary deferral provisions of a 401(k) plan. The plan covers substantially all of its employees with more than one year of service. Under the terms of the plan, OFB may make discretionary contributions based on eligible compensation. However, no matching contributions are required for the employee deferral feature of the plan. The investment decisions regarding the employer-contributed assets and employee deferrals are made by each employee. During the years ended June 30, 2009 and 2008, contributions of five to seven percent of qualified compensation (depending on years of continuous service) were made to the plan and charged to operations totaling \$202,921 and \$187,352, respectively.

18. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

During the year ended June 30, 2009 noncash operating, investing, and financing transactions included the acquisition of property in Washington County for additional warehouse and office space. The total of noncash transactions were \$2,800,000, representing a contribution from the seller of \$850,000 and a note payable to the seller of \$1,950,000.

Cash paid during the year ended June 30, 2009 for interest totaled \$83,322.

19. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2009 and 2008, OFB purchased goods or services from or provided grants to regional food banks and a local agency whose employees served on the Board of Directors. These transactions are in the normal course and have been approved by the Board of Directors. OFB's by-laws require participation by regional food banks and local agencies on the Board of Directors.

During the year ended June 30, 2009, OFB provided funding to organizations with membership on the Board in the amount of \$148,587. Agencies receiving funding were Community Connection (\$74,704) and Community Action Program of East Central Oregon (\$73,883).

During the year ended June 30, 2008, OFB provided funding to organizations with membership on the Board in the amount of \$188,951. Agencies receiving funding were EMO Northeast Emergency Food Program (\$27,473), Access, Inc. (\$113,808), and Community Action Program of East Central Oregon (\$47,670).

The above-referenced transactions do not include reimbursing or paying directly the expenses of some Board members for mileage, lodging and related expenses to attend meetings.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

20. CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances in several financial institutions located in Portland. The balances in each financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000 (\$250,000 effective October 3, 2008 through December 31, 2013. In addition, effective October 14, 2008 through December 31, 2009, amounts held in noninterest-bearing checking accounts and NOW accounts earning 0.5% or less have unlimited FDIC insurance coverage). The Organization also maintains both long-term and short-term certificates of deposit which may not be insured. At June 30, 2009 and 2008, uninsured cash balances totaled approximately \$466,300 and \$413,000, respectively.

21. FAIR VALUE MEASUREMENTS

Assets and liabilities recorded at fair value in the Statement of Financial Position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

21. FAIR VALUE MEASUREMENTS, Continued

Fair values of assets and liabilities measured on a recurring and non-recurring basis at June 30, 2009 and 2008 and are as follows:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>June 30, 2009</u>				
Assets:				
Recurring:				
Certificates of deposit and unemployment deposit	\$ 9,532,740	\$ -	\$ 9,532,740	\$ -
Investments held at OCF	1,372,962	-	1,372,962	-
Investments designated for annuity agreements	326,456	326,456	-	-
Donated inventory	2,743,722	-	2,743,722	-
Non-recurring:				
Donated property	850,000		850,000	-
Liabilities:				
Obligations under annuity agreements	(235,538)	-	-	(235,538)
 <u>June 30, 2008</u>				
Assets:				
Recurring:				
Certificates of deposit and unemployment deposit	6,109,796	-	6,109,796	-
Investments held at OCF	1,698,980	-	1,698,980	-
Investments designated for annuity agreements	200,085	200,085	-	-
Donated inventory	3,313,123	-	3,313,123	-
Liabilities:				
Obligations under annuity agreements	(151,114)	-	-	(151,114)

Fair values for certificates of deposits are determined by balances reported by the banks holding the funds.

Investments held at OCF in pooled funds are valued at the net asset per unit as provided by OCF trustees. Net asset value is based on fair value of the underlying assets of the funds using quoted market prices when available.

Assets held in trust for annuity agreements include investments in which fair values are determined by quoted market prices. Obligations under annuity agreements are determined by calculating the present value of the future distributions to be made using published life expectancy tables and applicable discount rates.

Fair value of donated inventory is measured using the approximate average value for the past five years based on an independent accountants' report to Feeding America.

OREGON FOOD BANK, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

21. FAIR VALUE MEASUREMENTS, Continued

Fair value of donated property is measured based on appraisal, including comparison to similar properties.

Liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

Obligation under split interest agreements:	
Balance at beginning of year	\$ 151,114
Change in value in split interest agreement	110,832
Payments to beneficiaries	<u>(26,408)</u>
Balance at end of year	<u>\$ 235,538</u>

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND OMB CIRCULAR A-133**



McDONALD JACOBS

Jake Jacobs, CPA

Susan J. Marks, CPA

Dennis C. Johnson, CPA

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Karin S. Wandtke, CPA

Sang Ahn, CPA

*Jill Oswald
Principal*

*James R. McDonald, CPA
of counsel*

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

The Board of Directors
Oregon Food Bank, Inc.
Portland, Oregon

We have audited the financial statements of Oregon Food Bank, Inc. (a nonprofit organization) as of and for the year ended June 30, 2009 and have issued our report thereon dated September 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oregon Food Bank, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Strength in Numbers

- 23 -

ACCOUNTANTS & CONSULTANTS

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Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Oregon Food Bank, Inc. in a separate letter dated September 14, 2009.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McDonald Jacobson, P.C.

September 14, 2009



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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

To the Board of Directors
Oregon Food Bank, Inc.
Portland, Oregon

Compliance

We have audited the compliance of Oregon Food Bank, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Oregon Food Bank, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Oregon Food Bank, Inc.'s management. Our responsibility is to express an opinion on Oregon Food Bank, Inc.'s compliance based on our audit.

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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 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 Oregon Food Bank, Inc.'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. Our audit does not provide a legal determination of Oregon Food Bank, Inc.'s compliance with those requirements.

Strength in Numbers

- 25 -

ACCOUNTANTS & CONSULTANTS

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In our opinion, Oregon Food Bank, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Oregon Food Bank, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Oregon Food Bank, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the Organization's internal control over compliance.

A control deficiency in an organization's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McDonald Jacobson, P.C.

September 14, 2009

OREGON FOOD BANK, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 20099

<u>Federal Grantor/Pass-through Grantor Program title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Federal Expendi- tures</u>
U.S. Department of Agriculture			
Pass through from Oregon State Housing and Community Services			
Emergency Food Assistance Program - Administration	10.568	\$ 687,026	\$ 687,026
Emergency Food Assistance Program - Food Commodities	10.569	6,651,036	6,214,605
ARRA - Emergency Food Assistance Program - Administration	10.569	99,862	<u>99,862</u>
Total Department of Agriculture			<u>7,001,493</u>
Department of Homeland Security			
Passed through from Washington County EFSP-Bulk Purchase	97.024	40,073	39,540
Passed through from Multnomah County EFSP-Bulk Purchase	97.024	173,095	171,513
Passed through from Clackamas County EFSP-Bulk Purchase	97.024	90,547	90,260
Passed through from Malheur County EFSP-Bulk Purchase	97.024	9,711	<u>10,492</u>
Total Department of Homeland Security			<u>311,805</u>
Total expenditures of federal awards			<u>\$ 7,313,298</u>

See notes to schedule of expenditures of federal awards.

OREGON FOOD BANK, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2009

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes all federal grant activity of Oregon Food Bank, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Total expenditures of federal awards	\$ 7,313,298
Non federal expenditures	<u>41,636,291</u>
Total expenses per Statement of Activities	<u>\$ 48,949,589</u>

2. FOOD DISTRIBUTION

The value of USDA food commodities received during the year was estimated by the State of Oregon and USDA. The value of USDA food commodities distributed during the year includes amounts held in inventory at the beginning of the year. As of June 30, 2009, Oregon Food Bank, Inc. had an inventory of USDA food commodities of \$776,182.

3. PASS THROUGH GRANTS

The federal expenditures for the Emergency Food Assistance Program include grants to subrecipients totaling \$319,788. Expenditures were made to 16 agencies, none exceeding \$100,000.

OREGON FOOD BANK, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2009

NONE: There were no prior year audit findings.

OREGON FOOD BANK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2009

Section 1 - Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.568	Emergency Food Assistance Program - Administration
10.569	Emergency Food Assistance Program - Commodities
97.024	EFSP-Bulk Purchase

Dollar threshold used to distinguish between Type A and Type B programs.	\$300,000
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Auditee qualified as low-risk auditee?	Yes
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OREGON FOOD BANK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the year ended June 30, 2009

Section 2 - Financial Statement Findings

None reported.

Section 3 - Federal Award Findings and Questioned Costs

No matters reported.

**OREGON FOOD BANK, INC.
CORRECTIVE ACTION PLAN
For the year ended June 30, 2009**

There were no audit findings.