



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

## **Freestore Foodbank, Inc. and Affiliates**

Combined and Consolidated Financial Statements and  
Additional Financial Information  
June 30, 2025 and 2024  
with Independent Auditors' Report

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Freestore Foodbank, Inc. and Affiliates:

### **Report on the Audit of the Combined and Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying combined and consolidated financial statements of Freestore Foodbank, Inc. and Affiliates (a not-for-profit organization), which comprise the combined and consolidated statements of financial position as of June 30, 2025 and 2024, and the related combined and consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined and consolidated financial statements.

In our opinion, the combined and consolidated financial statements present fairly, in all material respects, the financial position of Freestore Foodbank, Inc. and Affiliates as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined and Consolidated Financial Statements section of our report. We are required to be independent of Freestore Foodbank, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Combined and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the combined and consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined and consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Freestore Foodbank, Inc. and Affiliates' ability to continue as a going concern within one year after the date that the combined and consolidated financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Combined and Consolidated Financial Statements**

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

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

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

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the combined and consolidated 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* (Pages 25-26) and supplemental schedules (Pages 33-34), are presented for purposes of additional analysis and are not a required part of the combined and consolidated 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 combined and consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined and consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined and consolidated financial statements or to

the combined and consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined and consolidated 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 October 23, 2025 on our consideration of Freestore Foodbank, Inc. and Affiliates' 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 Freestore Foodbank, Inc. and Affiliates' 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 Freestore Foodbank, Inc. and Affiliates' internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
October 23, 2025

Freestore Foodbank, Inc. and Affiliates  
Combined and Consolidated Statements of Financial Position  
June 30, 2025 and 2024

Assets:	2025	2024
Current assets:		
Cash and cash equivalents	\$ 11,203,207	10,097,733
Restricted cash - Facility maintenance reserve	1,584,132	1,310,234
Cash held for others - Representative Payee	986,454	1,073,857
Cash held for others	4,453	1,536
Restricted cash - Loan reserve	4,473,580	4,582,333
Accounts receivable, net of allowance for credit losses of \$5,151 and \$5,200, respectively	1,505,566	1,344,558
Pledges receivable, current	4,596,162	3,745,766
Inventory	5,138,923	4,896,108
Prepaid expenses and other	198,786	256,127
Total current assets	29,691,263	27,308,252
Property and equipment:		
Land	5,749,386	5,749,386
Buildings and improvements	35,839,701	35,859,999
Furniture, fixtures and equipment	4,698,683	4,435,667
Vehicles	1,852,819	1,938,652
	48,140,589	47,983,704
Less accumulated depreciation	(9,509,356)	(8,014,835)
Total property and equipment	38,631,233	39,968,869
Other assets:		
Investments	27,016,751	22,795,373
Beneficial interest in charitable trusts	2,200,267	2,018,690
Pledges receivable, net of current portion	780,763	2,936,202
Note receivable	17,804,100	17,804,100
Other	42,199	38,905
Total other assets	47,844,080	45,593,270
Total assets	\$ 116,166,576	112,870,391
Liabilities and net assets:		
Current liabilities:		
Accounts payable	\$ 964,701	896,973
Cash held for others - Representative Payee	986,454	1,073,857
Cash held for others	4,453	1,536
Accrued expenses	1,875,502	1,796,139
Refundable advance	95,600	364,790
Total current liabilities	3,926,710	4,133,295
Long-term liabilities:		
Notes payable	23,475,000	23,475,000
Total liabilities	27,401,710	27,608,295
Net assets:		
Without donor restrictions	79,193,815	74,568,619
With donor restrictions	9,571,051	10,693,477
Total net assets	88,764,866	85,262,096
Total liabilities and net assets	\$ 116,166,576	112,870,391

See accompanying notes to the combined and consolidated financial statements.

Freestore Foodbank, Inc. and Affiliates  
 Combined and Consolidated Statement of Activities  
 Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support:			
Contributions and grants	\$ 9,613,613	8,949,367	18,562,980
Government agencies	4,877,750	-	4,877,750
Change in interest in irrevocable trusts	-	181,577	181,577
	<u>14,491,363</u>	<u>9,130,944</u>	<u>23,622,307</u>
Revenues:			
Program services:			
Private organizations	671,243	-	671,243
Member agency fees/product resale	4,633,199	-	4,633,199
Client services - individuals	57,816	-	57,816
Social enterprises	27,075	-	27,075
Special events	1,330,762	-	1,330,762
In-kind goods and services:			
Advertising services	34,000	-	34,000
Foodbank donations - food and products	57,964,009	-	57,964,009
Investment return, net	2,476,254	71,032	2,547,286
Net gain on disposal of property and equipment	88,169	-	88,169
Other	1,053,072	-	1,053,072
Net assets released from restriction:			
Satisfaction of program and purpose restrictions	4,681,965	(4,681,965)	-
Satisfaction of time restrictions	5,642,437	(5,642,437)	-
	<u>78,660,001</u>	<u>(10,253,370)</u>	<u>68,406,631</u>
	<u>93,151,364</u>	<u>(1,122,426)</u>	<u>92,028,938</u>
Expenses:			
Client services	6,012,211	-	6,012,211
Workforce development	2,902,233	-	2,902,233
Foodbank:			
In-kind expenses	57,933,492	-	57,933,492
Foodbank supportive services	13,936,150	-	13,936,150
Social enterprises	7,854	-	7,854
Management and general	4,104,635	-	4,104,635
Fundraising	3,629,593	-	3,629,593
	<u>88,526,168</u>	<u>-</u>	<u>88,526,168</u>
Change in net assets	4,625,196	(1,122,426)	3,502,770
Net assets at beginning of year	<u>74,568,619</u>	<u>10,693,477</u>	<u>85,262,096</u>
Net assets at end of year	\$ <u>79,193,815</u>	<u>9,571,051</u>	<u>88,764,866</u>

See accompanying notes to the combined and consolidated financial statements.

Freestore Foodbank, Inc. and Affiliates  
 Combined and Consolidated Statement of Activities  
 Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public support:			
Contributions and grants	\$ 12,606,543	10,127,527	22,734,070
Government agencies	6,551,194	-	6,551,194
Change in interest in irrevocable trusts	-	157,790	157,790
	19,157,737	10,285,317	29,443,054
Revenues:			
Program services:			
Private organizations	656,328	-	656,328
Member agency fees/product resale	3,308,752	-	3,308,752
Client services - individuals	68,822	-	68,822
Social enterprises	6,829	-	6,829
Special events	1,467,319	-	1,467,319
In-kind goods and services:			
Advertising services	34,000	-	34,000
Foodbank donations - food and products	65,502,898	-	65,502,898
Investment return, net	2,111,644	101,494	2,213,138
Net gain on disposal of property and equipment	22,480	-	22,480
Other	808,728	-	808,728
Net assets released from restriction:			
Satisfaction of program and purpose restrictions	3,256,832	(3,256,832)	-
Satisfaction of time restrictions	5,892,620	(5,892,620)	-
	83,137,252	(9,047,958)	74,089,294
	102,294,989	1,237,359	103,532,348
Expenses:			
Client services	6,151,371	-	6,151,371
Workforce development	2,743,040	-	2,743,040
Foodbank:			
In-kind expenses	65,289,353	-	65,289,353
Foodbank supportive services	14,278,329	-	14,278,329
Social enterprises	4,033	-	4,033
Management and general	4,337,362	-	4,337,362
Fundraising	3,405,506	-	3,405,506
	96,208,994	-	96,208,994
Change in net assets	6,085,995	1,237,359	7,323,354
Net assets at beginning of year	68,482,624	9,456,118	77,938,742
Net assets at end of year	\$ 74,568,619	10,693,477	85,262,096

See accompanying notes to the combined and consolidated financial statements.

Freestore Foodbank, Inc. and Affiliates  
Combined and Consolidated Statement of Functional Expenses  
Year Ended June 30, 2025

	Program Services				Supporting Services			Total
	Client Services	Workforce Development	Foodbank	Social Enterprises	Total Program Services	Management and General	Fundraising	
Salaries, benefits and payroll taxes	\$ 3,361,639	1,345,657	3,864,266	-	8,571,562	2,657,624	1,381,989	12,611,175
In-kind food and products distributed	-	-	57,933,492	-	57,933,492	-	-	57,933,492
Specific assistance to individuals	1,475,810	605,902	3,143,377	-	5,225,089	243	-	5,225,332
Fleet	265	36,768	372,745	-	409,778	42	-	409,820
Occupancy	343,683	160,827	398,409	-	902,919	193,046	91,891	1,187,856
Data and communications	93,776	21,249	104,484	-	219,509	209,301	142,350	571,160
Equipment, supplies and repairs	76,399	162,231	277,524	-	516,154	36,651	333,757	886,562
Office and mailings	127,395	948	15,203	-	143,546	33,653	1,101,408	1,278,607
Advertising	46,695	-	-	-	46,695	-	289,971	336,666
Dues and fees	36,206	4,653	67,013	-	107,872	239,021	63,580	410,473
Travel, conferences and conventions	31,723	11,358	31,201	-	74,282	107,482	4,006	185,770
Professional fees	13,134	6,254	19,008	-	38,396	45,617	6,087	90,100
Contracted services	101,635	117,209	242,316	7,854	469,014	71,424	75,946	616,384
Interest expense	12,402	46,619	115,815	-	174,836	82,009	36,357	293,202
Miscellaneous	-	-	-	-	-	90	1,200	1,290
Insurance	16,844	5,345	15,429	-	37,618	37,159	5,164	79,941
Product purchases	-	841	4,661,122	-	4,661,963	-	-	4,661,963
<b>Total expenses before depreciation</b>	<b>5,737,606</b>	<b>2,525,861</b>	<b>71,261,404</b>	<b>7,854</b>	<b>79,532,725</b>	<b>3,713,362</b>	<b>3,533,706</b>	<b>86,779,793</b>
Depreciation	274,605	376,372	608,238	-	1,259,215	391,273	95,887	1,746,375
<b>Total expenses</b>	<b>\$ 6,012,211</b>	<b>2,902,233</b>	<b>71,869,642</b>	<b>7,854</b>	<b>80,791,940</b>	<b>4,104,635</b>	<b>3,629,593</b>	<b>88,526,168</b>

See accompanying notes to the combined and consolidated financial statements.

Freestore Foodbank, Inc. and Affiliates  
 Combined and Consolidated Statement of Functional Expenses  
 Year Ended June 30, 2024

	Program Services				Supporting Services			Total
	Client Services	Workforce Development	Foodbank	Social Enterprises	Total Program Services	Management and General	Fundraising	
Salaries, benefits and payroll taxes	\$ 3,305,378	1,175,084	3,668,446	361	8,149,269	2,814,052	1,262,194	12,225,515
In-kind food and products distributed	-	-	65,289,353	-	65,289,353	-	-	65,289,353
Specific assistance to individuals	1,737,631	623,892	4,825,665	-	7,187,188	-	-	7,187,188
Fleet	1,897	32,748	385,084	-	419,729	-	149	419,878
Occupancy	300,652	116,220	425,838	-	842,710	176,347	82,817	1,101,874
Data and communications	94,715	31,604	139,946	-	266,265	183,458	128,905	578,628
Equipment, supplies and repairs	111,050	215,586	304,059	264	630,959	52,711	244,375	928,045
Office and mailings	107,142	3,844	13,297	-	124,283	43,526	1,142,637	1,310,446
Advertising	32,006	-	50	-	32,056	-	252,143	284,199
Dues and fees	38,102	8,911	58,666	-	105,679	207,172	83,723	396,574
Travel, conferences and conventions	39,983	12,199	26,125	-	78,307	116,270	7,745	202,322
Professional fees	12,329	6,377	18,668	-	37,374	57,956	6,224	101,554
Contracted services	70,787	134,023	250,212	910	455,932	113,160	56,422	625,514
Interest expense	15,774	38,146	107,957	-	161,877	113,601	36,914	312,392
Provision for current expected credit losses	-	-	5,626	-	5,626	-	-	5,626
Miscellaneous	-	-	-	-	-	24,779	-	24,779
Insurance	12,992	4,389	13,145	-	30,526	33,827	3,965	68,318
Product purchases	171	-	3,464,795	2,498	3,467,464	-	-	3,467,464
<b>Total expenses before depreciation</b>	<b>5,880,609</b>	<b>2,403,023</b>	<b>78,996,932</b>	<b>4,033</b>	<b>87,284,597</b>	<b>3,936,859</b>	<b>3,308,213</b>	<b>94,529,669</b>
Depreciation	270,762	340,017	570,750	-	1,181,529	400,503	97,293	1,679,325
<b>Total expenses</b>	<b>\$ 6,151,371</b>	<b>2,743,040</b>	<b>79,567,682</b>	<b>4,033</b>	<b>88,466,126</b>	<b>4,337,362</b>	<b>3,405,506</b>	<b>96,208,994</b>

See accompanying notes to the combined and consolidated financial statements.

Freestore Foodbank, Inc. and Affiliates  
Combined and Consolidated Statements of Cash Flows  
Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 3,502,770	7,323,354
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,746,375	1,679,325
Realized and unrealized gains on investments	(1,902,876)	(1,126,750)
Net gain on disposal of property and equipment	(88,169)	(22,480)
Contribution of beneficial interest in trusts	-	(687,242)
Effects of change in operating assets and liabilities:		
Accounts receivable, net	(161,008)	(19,708)
Pledges receivable	1,305,043	(627,146)
Inventory	(242,815)	(559,484)
Prepaid expenses and other	57,341	78,306
Beneficial interest in charitable trust	(181,577)	(81,641)
Other assets	(3,294)	55,856
Cash held for others	(84,486)	(127,447)
Accounts payable	67,728	97,345
Accrued expenses	79,363	170,142
Refundable advance	(269,190)	364,790
Net cash provided by operating activities	3,825,205	6,517,220
Cash flows from investing activities:		
Proceeds from sale of investments	9,668,950	6,150,977
Purchase of investments	(11,987,452)	(8,681,449)
Capital expenditures	(408,739)	(2,289,697)
Proceeds from sale of property and equipment	88,169	47,225
Net cash used by investing activities	(2,639,072)	(4,772,944)
Cash flows from financing activities:		
Principal payments on long term debt	-	(648,018)
Net change in cash, cash equivalents and restricted cash	1,186,133	1,096,258
Cash, cash equivalents and restricted cash - beginning of the year	17,065,693	15,969,435
Cash, cash equivalents and restricted cash - end of the year	\$ 18,251,826	17,065,693
Reconciliation to Combined and Consolidated Statements of Financial Position:		
Cash and cash equivalents	\$ 11,203,207	10,097,733
Restricted cash - facility maintenance reserve	1,584,132	1,310,234
Restricted cash - Loan reserve	4,473,580	4,582,333
Restricted cash - cash held for others	990,907	1,075,393
	\$ 18,251,826	17,065,693
Supplemental cash flow information:		
Interest paid	\$ 293,202	312,392

See accompanying notes to the combined and consolidated financial statements.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

### **Nature of organization**

Freestore Foodbank, Inc. is a not-for-profit corporation that exists to help people throughout the tri-state area of Ohio, Kentucky, and Indiana who are facing crisis because they are unable to meet their basic survival needs. The primary mission of Freestore Foodbank, Inc. is to improve lives by eliminating hunger in partnership with our community. Additionally, Freestore Foodbank, Inc. strives for a hunger-free, healthy and thriving community.

The Freestore Foodbank Foundation is a not-for-profit corporation whose governing board is comprised of Freestore Foodbank, Inc. trustees and independent trustees. The Foundation grants funds to Freestore Foodbank, Inc. for operations and raises money on its behalf.

Corwine Foundation, Inc. is a not-for-profit corporation, whose governing board is comprised of Freestore Foodbank, Inc. trustees and independent trustees, for the purpose of holding property for Freestore Foodbank, Inc.

FG-GBH, LLC is a not-for-profit limited liability corporation, whose governing board is comprised of Freestore Foodbank, Inc. trustees, for the purpose of constructing, owning, and leasing a distribution warehouse and training center for Freestore Foodbank, Inc.

FG-Hope, Inc. is a not-for-profit corporation that was formed to be used as a leveraged lender as part of a New Markets Tax Credit ("NMTC") arrangement.

### **Principles of combination and consolidation**

These combined and consolidated financial statements (the "financial statements") are the result of the combination of the operations of Freestore Foodbank, Inc., Corwine Foundation, Inc., The Freestore Foodbank Foundation and FG-Hope, Inc. and consolidation of the operations of FG-GBH, LLC ("FG-GBH") (collectively the "Agency"). All intercompany transactions are eliminated upon combination and consolidation.

### **Use of estimates in financial statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 period. Actual results could differ from those estimates.

### **Basis of accounting**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

### **Cash and cash equivalents**

The Agency considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. At June 30, 2025 and 2024, cash and cash equivalents consisted primarily of checking accounts and money market accounts.

The Agency maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 for each institution. The Agency's cash balances at times exceeded federally insured limits. The Agency has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents. At June 30, 2025, the Agency's cash accounts exceeded federally insured limits by approximately \$17,302,000.

#### **Restricted cash and cash held for others**

The Agency maintains funds for the maintenance and replacement of its facilities and improvements, which is shown as restricted cash in the financial statements.

The Agency also maintains funds for the use of others, which is shown as cash held for others on the statements of financial position. Cash held for others totaled \$990,907 and \$1,075,393 at June 30, 2025 and 2024, respectively, which includes amounts for the Representative Payee program. See Note 14 for a description of the Representative Payee program.

Cash accounts which are restricted by loan requirements are included on the statements of financial position as restricted cash - loan reserves.

#### **Accounts receivable**

The Agency's accounts receivable are due primarily from other not-for-profit or governmental agencies. The Agency does not assess interest on past-due accounts. An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. Changes in the allowance have not been material to the combined and consolidated financial statements.

#### **Pledges receivable**

Pledges receivable are recognized as assets and contribution revenue in the period received. Pledges receivable are discounted at an appropriate rate commensurate with the risks involved. An allowance for pledges is estimated by the Agency based on factors such as past collections, write-offs and current credit/economic conditions. Pledges are reviewed quarterly and compared to scheduled payments for collectability. Changes in the allowance have not been material to the combined and consolidated financial statements.

#### **Food contributions and other in-kind donations/inventory**

Receipt and subsequent distribution of in-kind food contributions are reported in the statements of activities at \$1.65 and \$1.82 per pound for non-United States Department of Agriculture (USDA) and USDA, respectively, in 2025. In-kind food contributions are reported in the statement of activities at \$1.81 and \$2.02 per pound for non-USDA and USDA, respectively, in 2024. Inventory on hand at year-end is also valued at the same amounts per pound. The price per pound is based on price indexes from a Feeding America survey. In December 2016, USDA issued a new version of FD-104 which was intended to update out-of-date references and provide additional clarification on valuing USDA foods. This memo still allows the use of the fair market value (FMV), which the Agency obtains from the Feeding America survey, and clarifies that the FMV of USDA foods must exclude all non-food items. As such, the Agency

prepares two product valuations – one specifically for USDA product received (which excludes non-food items), and one for all other product received.

The following table summarizes food inventory activity, in total pounds, as of and for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Beginning balance	3,208,371	2,696,631
Donated product	34,339,937	34,944,296
Purchased product	8,607,684	8,159,610
Donated product distributed	(34,038,358)	(34,757,288)
Purchased product distributed	(8,416,965)	(7,678,294)
Physical inventory variance and spoilage	<u>(174,680)</u>	<u>(156,584)</u>
Ending balance	<u>3,525,989</u>	<u>3,208,371</u>

Products distributed by the Agency which have both been donated by others and purchased from outside vendors are carried at fair value. Purchased and donated inventory amounts to \$5,138,923 and \$4,896,108 at June 30, 2025 and 2024, respectively.

Food contributions decreased 604,359 pounds in 2025 to 34,339,937 pounds versus 34,944,296 pounds in 2024.

### **Property and equipment**

Property and equipment are recorded at cost. Expenditures for additions, improvements, and other enhancements to property and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in results of operations. The estimated useful lives for each major depreciable classification of property and equipment are as follows: Buildings 20 – 40 years, building improvements 10 – 20 years, furniture, fixtures and equipment 5 – 8 years and vehicles 3 – 6 years. The Agency's estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of the Agency's assets. The Agency periodically reviews and adjusts, as appropriate, the residual values and useful lives of its assets.

The Agency reports gifts of property and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

### **Investments and beneficial interest in charitable trusts**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Dividends, interest income, realized and unrealized gains and losses on investments and investment fees are included as investment return, net on the statements of activities. The beneficial interest in charitable trusts are valued at the

estimated fair value of the assets held, which consists of actively traded common stocks and fixed income securities without adjustment by management.

### **Net assets**

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

*Net Assets Without Donor Restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. These net assets may be used at the discretion of the Agency's management and Board of Trustees (the Board).

*Net Assets With Donor Restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of June 30, 2025 and 2024, the Agency had \$2,230,267 and \$2,048,690, respectively, of net assets held in perpetuity.

### **Contributions and grants**

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution or grant is received, the Agency reports the support as without donor restrictions.

### **Contributed nonfinancial assets**

The Agency recognizes contributed nonfinancial assets within public support contributions, including donated food, vehicles, equipment, investments and services, at their estimated fair value at the date of receipt on the statements of activities. Donated services are recorded as public support only if they create or enhance non-financial assets or require specialized services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The Agency estimates the value of donated food based on the price indexes published by Feeding America, described in Food contributions and other in kind donations/inventory accounting policy. Contributed food was utilized in the Foodbank program and valued at \$57,964,009 and \$65,290,257 during the years ended June 30, 2025 and 2024, respectively.

There was no contributed equipment during the year ended June 30, 2025. Contributed equipment during the year ended June 30, 2024 was comprised of 2 electric skillets and two full-size ovens, valued at \$212,641. The contributed equipment is included within furniture, fixtures and equipment on the statement of financial position. Contributed equipment is valued and reported at the estimated fair value in the statement of financial position based on current rates for similar equipment at the date of receipt.

Contributed services during both the years ended June 30, 2025 and 2024 are comprised of in-kind media sponsorships with local advertising companies and were valued at approximately \$34,000. Contributed services are valued and reported at the estimated fair value in the financial statements based on current rates for similar advertising services.

The Agency received volunteer services of approximately 82,200 and 81,000 hours for the years ended June 30, 2025 and 2024, respectively, which are not recorded in these financial statements as public support in accordance with generally accepted accounting principles.

**Special events**

Special events revenue includes both an exchange and contribution component. The portion of the gross proceeds paid by the participant that represents payment for the direct cost of the benefits received by the participant at the event is the exchange component. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Agency. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Agency, are included in fundraising expenses on the statements of functional expenses. Special event fees collected by the Agency in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after delivery of the event.

During the years ended June 30, 2025 and 2024, the Agency incurred fundraising expenses that directly benefited donors in the amount of \$911,769 and \$812,540, respectively. These direct expenses have been included in fundraising expenses in the statements of activities.

**Advertising**

Advertising costs are expensed as incurred. For the years ended June 30, 2025 and 2024, advertising costs were \$336,666 and \$284,199, respectively.

**Functional expense allocation**

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Agency. Expenses are directly applied when applicable and are allocated to programs or support services based on periodic time studies, full time employees, square footage, and management’s estimate of time and effort of individual employees and their related duties. Allocated expenses include the following:

<u>Expense</u>	<u>Allocation Method</u>
Salaries, benefits and taxes	Periodic time studies, time and effort, full time employees
Occupancy	Square footage, time and effort, full time employees
Data and communications	Full time employees
Office and mailings	Full time employees
Professional fees	Full time employees
Contracted services	Full time employees
Miscellaneous	Full time employees
Insurance	Full time employees

### Income taxes

Freestore Foodbank, Inc., Corwine Foundation, Inc., Freestore Foodbank Foundation, and FG-Hope, Inc. have been classified as not-for-profit organizations as described in Sections 501(c)(3), 501(c)(2) 501(c)(3), and 509(a)(1), respectively. Freestore Foodbank, Inc. has been classified as a public charity qualified for charitable contributions under Internal Revenue Code Section 170. In addition, Freestore Foodbank Foundation and Corwine Foundation, Inc. are not classified as private foundations as defined in Section 509(a)(1) of the Internal Revenue Code.

### Fair value measurements

The Agency measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three “levels” based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that the Agency has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Agency does not adjust the quoted price for such instruments.
- **Level 2:** Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3:** Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Agency must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

The Agency maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. See Footnote 13 for discussion of the Agency's fair value techniques and application of the fair value hierarchy.

### Reclassifications

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on the reported change in net assets.

### Subsequent events

The Agency's management evaluated events that occurred after June 30, 2025 through October 23, 2025, the date when the financial statements were available to be issued.

## 2. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The Agency is substantially supported by federal grants, food/product donations, investment income and contributions with and without donor restrictions. The Agency's working capital and cash flows fluctuate during the year due to the timing of cash receipts and major contributions. Furthermore, a donor's restriction requires resources to be used in a particular manner or in a future period, thus, financial assets may not be available for general expenditure within one year of the statements of financial position date. As part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Agency invests cash in excess of daily requirements in readily available marketable securities.

The Agency has a line of credit available to meet cash flow needs (Note 8). The Agency's financial assets available for general use at June 30, consist of the following:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$ 11,203,207	10,097,733
Accounts receivable, net	1,505,566	1,344,558
Current pledges receivable	4,596,162	3,745,766
Investments	<u>27,016,751</u>	<u>22,795,373</u>
Financial assets available at year-end	<u>44,321,686</u>	<u>37,983,430</u>
Less those unavailable for general expenditures within one year due to:		
Current pledges receivable with purpose restriction	4,080,483	3,169,454
Donor restricted endowment	836,885	813,493
Assets with donor purpose restrictions	<u>1,087,433</u>	<u>1,019,149</u>
	<u>6,004,801</u>	<u>5,002,096</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>38,316,885</u>	<u>32,981,334</u>

**3. PLEDGES RECEIVABLE:**

Pledges receivable consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Due within one year	\$ 4,596,162	3,745,766
Due within two to five years	<u>1,006,359</u>	<u>3,350,193</u>
	5,602,521	7,095,959
Less allowance for uncollectible pledges	(4,081)	(11,841)
Less discount	<u>(221,515)</u>	<u>(402,150)</u>
	\$ <u>5,376,925</u>	<u>6,681,968</u>

The discount rate used to measure the net present value ranged from 0.29% to 4.15% at June 30, 2025 and 2024.

A concentration in pledges receivable exists when one donor accounts for 10% or more of the balance. At June 30, 2025 and 2024, three donors accounted for approximately 56% and two donors accounted for approximately 74% of pledges receivable, respectively.

**4. ACCOUNTS RECEIVABLE:**

Accounts receivable consists of the following:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>July 1, 2023</u>
Food distribution – contract receivables	\$ 1,132,038	941,252	951,627
Food distribution – agency receivables	241,564	208,745	150,787
Miscellaneous	<u>131,964</u>	<u>194,561</u>	<u>222,436</u>
	\$ <u>1,505,566</u>	<u>1,344,558</u>	<u>1,324,850</u>

A concentration in accounts receivable exists when one entity accounts for 10% or more of the balance. As of June 30, 2025 and 2024, approximately 34% and 42%, respectively, of accounts receivable are due from two entities.

**5. NOTE RECEIVABLE:**

During 2022, the Agency advanced funds to an organization under a note receivable arrangement. The note requires interest-only payments charged at 1% through June 30, 2029. The note then matures on December 31, 2050. The Agency recognized interest income on the note of \$178,041 during the years ended June 30, 2025 and 2024. The principal balance as of June 30, 2025 and 2024 totaled \$17,804,100 and will require principal payments beginning in September 2029.

**6. EMPLOYEE BENEFITS:**

The Agency offers retirement benefits for all of its eligible employees through a defined contribution plan, which meets the requirements of Internal Revenue Code Section 403(b) and is funded by contributions from the Agency and employees. Contributions are paid as accrued. Employees vest over five years in employer contributions. Agency contributions were \$355,127 and \$402,143 for the years ended June 30, 2025 and 2024, respectively.

**7. NEW MARKETS TAX CREDIT TRANSACTION:**

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to attract investment capital to low-income communities by permitting investors to receive tax credit incentives in exchange for making equity investments in certified Community Development Entities (CDEs). Under this program, certain commercial banks and other investors are able to subsidize eligible projects that meet the NMTC Program requirements.

During 2022, the Freestore Foodbank finalized construction of a new distribution center located within a census tract that is eligible for the NMTC Program. In order to benefit under the NMTC Program, during 2021, Freestore Foodbank entered into a series of agreements and transactions with three CDEs, two new affiliated companies (FG-Hope, Inc. & FG-GBH LLC) and Freestore Foodbank Investment Fund, LLC (Investment Fund) affiliated with a commercial bank. Freestore Foodbank formed FG Hope, Inc. to facilitate the transaction, through issuance of a \$17,804,100 note receivable (see Note 5) to the Investment Fund. A portion of the funds loaned were financed by a bridge loan agreement with the bank. The bridge loan was repaid during 2024 using funds raised by the Growing Beyond Hunger capital campaign. See Note 9 for notes payable to the CDEs totaling \$23,475,000.

**8. LINE OF CREDIT:**

The Agency has a \$2,000,000 line of credit with a financial institution with interest at Secured Overnight Financing Rate (SOFR) rate plus 2.25% for the year ended June 30, 2025 (6.70% at June 30, 2025) and daily Bloomberg Short-Term Bank Yield (BSBY) plus 2.75% for the year ended and June 30, 2024 (5.41% at June 30, 2024) and is due November 30, 2025. There were no borrowings on the line at June 30, 2025 and 2024. The line of credit is secured by all assets of the Agency.

**9. NOTES PAYABLE:**

Long-term debt consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Note payable (CDE loan) to a company with quarterly interest only payments at 1.25%, principal payments beginning September 2029 until maturity in December 2055.	14,700,000	14,700,000
Note payable (CDE loan) to a company with quarterly interest only payments at 1.25%, principal payments beginning September 2029 until maturity in December 2055.	4,775,000	4,775,000
Note payable (CDE loan) to a bank with quarterly interest only payments at 1.25%, principal payments beginning September 2029 until maturity in December 2055.	<u>4,000,000</u>	<u>4,000,000</u>
	<b>\$ <u>23,475,000</u></b>	<b><u>23,475,000</u></b>

Long-term debt matures as follows as of June 30:

2026	\$	-
2027		-
2028		-
2029		-
2030		1,143,504
Thereafter		<u>22,331,496</u>
		<b>\$ <u>23,475,000</u></b>

**10. NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specific purpose:		
Workforce Development	\$ 72,817	70,313
Endowment	806,885	783,493
Childhood Feeding	440,400	451,115
Client Services	212,876	148,491
Management & General	43,914	121,700
Foodbank	198,145	43,260
Fundraising/Special events	<u>119,281</u>	<u>184,270</u>
	<u>1,894,318</u>	<u>1,802,642</u>
Subject to time restrictions	<u>5,446,466</u>	<u>6,842,145</u>
Investments held in perpetuity:		
Beneficial interest in charitable trusts	2,200,267	2,018,690
Endowment	<u>30,000</u>	<u>30,000</u>
	<u>2,230,267</u>	<u>2,048,690</u>
Total net assets with donor restrictions	\$ <u>9,571,051</u>	<u>10,693,477</u>

**11. BENEFICIAL INTEREST IN CHARITABLE TRUSTS:**

A donor established a perpetual trust with a bank naming the Agency as one of the beneficiaries. Under terms of the split-interest agreement, the Agency is to receive the investment income earned annually for its use into perpetuity. The fair value of the Agency's interest in this perpetual trust was recorded as a contribution with donor restrictions and as beneficial interest in a charitable trust. Income received from the trust in 2025 and 2024 was \$11,936 and \$10,269, respectively. The principal amount totaled \$256,979 and \$244,161 as of June 30, 2025 and 2024, respectively. Distributions are intended for programs and activities which provide food and clothing to underprivileged persons. The Trust is held by a trustee, in accordance with the trust agreement, and is classified as net assets with donor restrictions.

Two separate donors have established irrevocable trusts naming the Agency an income beneficiary. The principal amount of these irrevocable trusts totaled \$1,943,288 and \$1,774,529 as of June 30, 2025 and 2024, respectively.

**12. ENDOWMENT FUNDS:**

The Agency implemented guidance requiring that the net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, to be classified and reported based on the existence or absence of donor-imposed restrictions. The Agency's endowment consists of both donor-restricted endowment funds and funds designated by the Board of Trustees to

function as endowments, which is held within The Freestore Foodbank Foundation. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### **Interpretation of relevant law**

The Agency has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is subject to purpose and/or time restrictions are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the Agency and the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the Agency; and the investment policies of the Agency.

#### **Funds with deficiencies**

From time to time, the fair value of assets associated with individual endowment funds with donor restrictions may fall below the level that the donor requires to be retained in perpetuity. Such deficiencies result from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. Deficiencies of this nature are reported as part of net assets without donor restrictions. The Agency had no funds with deficiencies as of June 30, 2025 and 2024.

#### **Return objectives and risk parameters**

The Agency has adopted investment and spending policies for endowment assets that attempt to provide for long-term growth in excess of inflation, annual distributions and expenses. The return objective shall be accomplished utilizing a strategy of equities, fixed income and cash equivalents. The performance objectives will be measured against appropriate industry benchmarks such as the S&P 500 Index, Russell 3000 Stock Index, and other indexes.

#### **Strategies employed for achieving objectives**

To satisfy its long-term rate-of-return objectives, the Agency relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Agency targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

#### **Spending policy and how the investment objectives relate to spending policy**

The Agency has a policy of annually appropriating five percent of its previous twelve quarter moving average endowment fund balance as needed. Any distributions in excess of the normal annual distribution require approval of the Board of Trustees of The Freestore Foodbank Foundation. In establishing this policy, the Agency considered the long-term expected return on its endowment.

Accordingly, this spending policy should, over time, protect the inflation-adjusted value of the endowment and, consequently, allow inflation-adjusted spending to occur in the distant future. This is consistent with the Agency's objective to maintain purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The changes in endowment net assets are as follows for the years ended June 30, 2025 and 2024 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2023	\$ 18,419,534	693,679	19,113,213
Investment return, net	2,108,641	101,494	2,210,135
Contributions	2,672,419	47,789	2,720,208
Appropriation of assets for expenditures	<u>(1,246,195)</u>	<u>(29,469)</u>	<u>(1,275,664)</u>
Endowment net assets, June 30, 2024	<u>21,954,399</u>	<u>813,493</u>	<u>22,767,892</u>
Investment return, net	2,466,568	71,032	2,537,600
Contributions	2,932,820	83,711	3,016,531
Appropriation of assets for expenditures	<u>(1,204,003)</u>	<u>(131,351)</u>	<u>(1,335,354)</u>
Endowment net assets, June 30, 2025	\$ <u>26,149,784</u>	<u>836,885</u>	<u>26,986,669</u>

### 13. FAIR VALUE MEASUREMENTS:

Equity and mutual funds are valued at the net asset value of shares held by the Agency at year-end. Corporate debt obligations, alternative investments and beneficial interest in trust are valued at the estimated fair value of the assets held, which consist of actively traded common stocks and fixed income securities without adjustment by management.

The following table presents the Agency's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2025.

<u>Fair Value Measurements at Reporting Date Using</u>				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market accounts	\$ 690,455	690,455	-	-
Equity securities:				
Healthcare	235,260	235,260	-	-
Financial	488,753	488,753	-	-
Energy	47,793	47,793	-	-
Basic materials	84,274	84,274	-	-
Technology	367,170	367,170	-	-
Communication services	214,273	214,273	-	-
Utilities	52,842	52,842	-	-

Real estate	19,056	19,056	-	-
Consumer staples	92,556	92,556	-	-
Consumer discretionary	312,544	312,544	-	-
Industrial goods	704,942	704,942	-	-
Mutual funds and ETFs	13,966,345	13,966,345	-	-
Corporate debt obligations	9,212,845	-	9,212,845	-
Alternative investments	<u>527,643</u>	<u>-</u>	<u>527,643</u>	<u>-</u>
<b>Total Investments</b>	<b>\$ <u>27,016,751</u></b>	<b><u>17,276,263</u></b>	<b><u>9,740,488</u></b>	<b><u>-</u></b>
<b>Beneficial interest in trusts</b>	<b>\$ <u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,200,267</u></b>

The following table presents the Agency's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2024.

<u>Fair Value Measurements at Reporting Date Using</u>				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments:</b>				
Money market accounts	\$ 639,654	639,654	-	-
Equity securities:				
Healthcare	284,641	284,641	-	-
Financial	327,898	327,898	-	-
Energy	50,669	50,669	-	-
Basic materials	55,878	55,878	-	-
Technology	335,480	335,480	-	-
Communication services	71,669	71,669	-	-
Utilities	34,237	34,237	-	-
Real estate	9,699	9,699	-	-
Consumer staples	68,905	68,905	-	-
Consumer discretionary	294,625	294,625	-	-
Industrial goods	481,745	481,745	-	-
Mutual funds and ETFs	11,795,557	11,795,557	-	-
Corporate debt obligations	7,660,788	-	7,660,788	-
Alternative investments	<u>683,928</u>	<u>-</u>	<u>683,928</u>	<u>-</u>
<b>Total Investments</b>	<b>\$ <u>22,795,373</u></b>	<b><u>14,450,657</u></b>	<b><u>8,344,716</u></b>	<b><u>-</u></b>
<b>Beneficial interest in trusts</b>	<b>\$ <u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,018,690</u></b>

#### 14. REPRESENTATIVE PAYEE PROGRAM:

The Agency is appointed by the Social Security Administration to act as a representative payee. The Agency receives Social Security and/or SSI benefits for customers who cannot manage or cannot direct someone else to manage their money. The main responsibilities of a payee are to use the benefits to pay for the current and foreseeable needs of the beneficiary and properly save any benefits not needed to meet current needs. The Agency managed monthly receipts averaging \$622,721 and \$630,388 for the years ended June 30, 2025 and 2024, respectively.

**15. CONDITIONAL PROMISES TO GIVE:**

During the year ended June 30, 2025, the Agency received conditional promises to give of approximately \$1,424,000 related to reimbursement and matching grants with contract terms spanning multiple fiscal years. No amounts have been recognized during 2025 as the conditions have not been satisfied.

**16. CONTINGENCIES:**

The Agency has provided repayment guarantees for construction loans used for the development of the property in relation to the NMTC program. The Agency has also provided construction completion guarantees. Construction was completed during the year ended June 30, 2023.

The Agency's maximum exposure to the guarantees is not determinable with any degree of accuracy, as determination of the ultimate amount is dependent upon the Agency's ability to oversee, manage and optimize cash flows of the above-mentioned project. Therefore, no amounts have been accrued for the commitments noted above as of June 30, 2025 and 2024.

Freestore Foodbank, Inc. and Affiliates  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

<u>Federal Grantor/Pass-Through Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant Identification Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Agriculture:</u></b>			
Food Distribution Cluster:			
<i>Passed through Ohio Department of Job and Family Services:</i>			
Commodity Supplemental Food Program	10.565	G-2223-17-1216 & G-2425-17-0467	\$ 607,724
Commodity Supplemental Food Program - Distributed Product	10.565	N/A	4,229,939
Emergency Food Assistance Program (Administrative Costs)	10.568	G-2223-17-1232 & G-2425-17-0460	348,775
Emergency Food Assistance Program (Food Commodities)	10.569	N/A	9,529,595
<i>Passed through Indiana State Department of Health:</i>			
Emergency Food Assistance Program (Administrative Costs)	10.568	76608, 77319 & 88466	11,712
Emergency Food Assistance Program (Food Commodities)	10.569	N/A	385,202
Commodity Supplemental Food Program	10.565	88438 & 76546	10,161
Commodity Supplemental Food Program - Distributed Product	10.565	N/A	<u>105,900</u>
			<u>15,229,008</u>
<i>Passed through Ohio Department of Job and Family Services:</i>			
Commodity Credit Corporation (CSFP Support)	10.194	G-2425-17-0717	<u>192,207</u>
Commodity Credit Corporation (Administrative Costs)	10.187	G-2223-17-1313 & G-2425-17-0603	46,207
Emergency Food Assistance Program Commodity Credit Corporation Eligible Recipient Funds - Distributed Product	10.187	N/A	3,784,686
<i>Passed through Indiana State Department of Health:</i>			
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	10.187	75820	6,256
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds - Distributed Product	10.187	N/A	<u>307,138</u>
			<u>4,144,287</u>
<i>Passed through Ohio Department of Education:</i>			
Child and Adult Care Food Program	10.558	N/A	<u>185,511</u>
<i>Passed through Ohio Department of Education:</i>			
Summer Food Service Program for Children - Child Nutrition Cluster	10.559	N/A	<u>253,651</u>
<i>Passed through Ohio Association of Foodbanks:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - SNAP Cluster	10.561	SNAPFY24FSFBQ4 & SNAPFY25FSFB	<u>222,039</u>
<i>Passed through Ohio Association of Foodbanks:</i>			
Local Food Purchase Assistance Program	10.182	G-2425-17-1063-01	117,616
Local Food Purchase Assistance Program - Distributed Product	10.182	N/A	1,080,984
<i>Passed through Indiana State Department of Health:</i>			
Local Food Purchase Assistance Program - Distributed Product	10.182	N/A	14,342
<i>Passed through Feeding Kentucky:</i>			
Local Food Purchase Assistance Program - Distributed Product	10.182	N/A	<u>51,530</u>
			<u>1,264,472</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>21,491,175</u></b>
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
CDBG Entitlement Grant Cluster:			
<i>Passed through City of Cincinnati, Ohio:</i>			
Community Development Block Grants/Entitlement Grants -	14.218	55x2025-015	169,892
<i>Passed through Hamilton County, Ohio:</i>			
Community Development Block Grants/Entitlement Grants -	14.218	N/A	<u>50,000</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>219,892</u></b>
<b><u>U.S. Department of Treasury:</u></b>			
<i>Passed through Hamilton, County, Ohio:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Food Assistance	21.027	N/A	478,349
<i>Passed through Strategies to End Homelessness:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	20238022 & 20244001	<u>223,781</u>
<b>Total U.S. Department of Treasury</b>			<b><u>702,130</u></b>

(Continued)

Freestore Foodbank, Inc. and Affiliates  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025  
(Continued)

<u>Federal Grantor/Pass-Through Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant Identification Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Health and Human Services:</u></b>			
<i>Passed through Cincinnati Health Network:</i>			
Health Center Program (Community Health Centers, Mental Health Centers, Health Care for the Homeless, and Public Housing Primary Care) - Health Center Program Cluster	93.224	N/A	351,107
<i>Passed through Ohio Association of Foodbanks:</i>			
Cooperative Agreement To Support Navigators In Federally-Facilitated Exchanges	93.332	N/A	388,178
<i>Passed through Ohio Department of Job and Family Services:</i>			
Temporary Assistance For Needy Families	93.558	G-2425-21-0509	8,697
<i>Passed through Operation Warm:</i>			
Temporary Assistance For Needy Families	93.558	1901OHTANF	1,147
<i>Passed through Ohio Association of Foodbanks:</i>			
Temporary Assistance For Needy Families	93.558	G-2425-17-0084	300,710
Temporary Assistance For Needy Families- Food Commodities	93.558	N/A	8,187,469
			8,498,023
<i>Passed through Ohio Association of Foodbanks:</i>			
Social Services Block Grant	93.667	G-2425-17-0084	26,945
Social Services Block Grant (Food Commodities)	93.667	N/A	881,069
			908,014
<b>Total U.S. Department of Health and Human Services</b>			<b>10,145,322</b>
<b><u>U.S. Department of Labor:</u></b>			
<i>WIOA Cluster:</i>			
<i>Passed through Ohio Department of Jobs and Family Services:</i>			
WIOA Adult Program	17.258	G-2425-15-0619	10,298
WIOA Dislocated Worker Formula Grants	17.278	G-2425-15-0619	9,063
WIOA Youth Activities	17.259	G-2425-15-0619	11,071
<b>Total U.S. Department of Labor</b>			<b>30,432</b>
<b><u>U.S. Department of Homeland Security:</u></b>			
<i>Passed through United Way of Greater Cincinnati:</i>			
COVID-19 - Emergency Food and Shelter National Board Program	97.024	40-6756-00 029	28,000
<b>Total U.S. Department of Homeland Security</b>			<b>28,000</b>
<b>Total expenditures of federal awards</b>			<b>\$ 32,616,951</b>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Freestore Foodbank, Inc. and Affiliates under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Freestore Foodbank, Inc. and Affiliates, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Freestore Foodbank, Inc. and Affiliates.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C - INDIRECT COST RATE**

Freestore Foodbank, Inc. and Affiliates has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE D - DONATED COMMODITIES**

The amounts reported as commodities or distributed products represent federal commodities distributed through states to local agencies under the programs with CFDA numbers 10.182, 10.187, 10.565, 10.569, and 93.558. The amount of commodities on hand for these programs is \$2,966,555 at June 30, 2025.

**INDEPENDENT AUDITORS' 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**

The Board of Trustees  
Freestore Foodbank, Inc. and Affiliates:

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 combined and consolidated financial statements of Freestore Foodbank, Inc. and Affiliates (a not-for-profit organization), which comprise the combined and consolidated statement of financial position as of June 30, 2025, and the related combined and consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined and consolidated financial statements, and have issued our report thereon dated October 23, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the combined and consolidated financial statements, we considered Freestore Foodbank, Inc. and Affiliates' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined and consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Freestore Foodbank, Inc. and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Freestore Foodbank, Inc. and Affiliates' 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 or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Freestore Foodbank, Inc. and Affiliates' combined and consolidated 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 combined and consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
October 23, 2025

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Trustees  
Freestore Foodbank, Inc. and Affiliates:

### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited Freestore Foodbank, Inc. and Affiliates' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Freestore Foodbank, Inc. and Affiliates' major federal programs for the year ended June 30, 2025. Freestore Foodbank, Inc. and Affiliates' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Freestore Foodbank, Inc. and Affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Freestore Foodbank, Inc. and Affiliates' federal programs.

### **Auditors' Responsibility for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Freestore Foodbank, Inc. and Affiliates' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Freestore Foodbank, Inc. and Affiliates' compliance with the requirements of each major federal program as a whole.

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

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

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

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
October 23, 2025

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report issued on financial statements:	unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	no
Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

**Federal Awards**

Internal Control over major programs:	
Material weakness(es) identified?	no
Significant deficiency(ies) identified not considered to be material weaknesses?	none reported

Type of auditors' report issued on compliance for major programs:	unmodified
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Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	none
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Identification of major programs:  
 Food Distribution Cluster:  
 Assistance Listing Number 10.565 – Commodity Supplemental Food Program  
 Assistance Listing Number 10.568 – Emergency Food Assistance Program (Administrative Costs)  
 Assistance Listing Number 10.569 – Emergency Food Assistance Program (Food Commodities)

Dollar threshold to distinguish between Type A and Type B Programs:	\$978,509
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Auditee qualified as low-risk auditee?	yes
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**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

Freestore Foodbank, Inc. and Affiliates  
Combining and Consolidating Statement of Financial Position  
June 30, 2025

Assets:	Freestore Foodbank, Inc.	FG-GBH LLC	Consolidated Total	FG-Hope Inc.	Corwine Foundation, Inc.	The Freestore Foodbank Foundation, Inc.	Eliminations	Combined Total
<b>Current assets:</b>								
Cash and cash equivalents	\$ 11,203,207	-	11,203,207	-	-	-	-	11,203,207
Restricted cash - Facility maintenance reserve	-	108,572	108,572	-	1,475,560	-	-	1,584,132
Cash held for others - Representative Payee	986,454	-	986,454	-	-	-	-	986,454
Cash held for others	4,453	-	4,453	-	-	-	-	4,453
Restricted cash - Loan reserves	4,033,400	440,180	4,473,580	-	-	-	-	4,473,580
Accounts receivable, net of allowance for credit losses	1,497,766	-	1,497,766	-	8,100	-	(300)	1,505,566
Pledges receivable, current	2,004,995	-	2,004,995	-	-	2,591,167	-	4,596,162
Inventory	5,138,923	-	5,138,923	-	-	-	-	5,138,923
Prepaid expenses and other	197,878	-	197,878	-	-	908	-	198,786
<b>Total current assets</b>	<b>25,067,076</b>	<b>548,752</b>	<b>25,615,828</b>	<b>-</b>	<b>1,483,660</b>	<b>2,592,075</b>	<b>(300)</b>	<b>29,691,263</b>
<b>Property and equipment:</b>								
Land	-	4,772,479	4,772,479	-	976,907	-	-	5,749,386
Buildings and improvements	1,549,774	25,347,072	26,896,846	-	8,942,855	-	-	35,839,701
Furniture, fixtures and equipment	4,562,351	-	4,562,351	-	136,332	-	-	4,698,683
Vehicles	1,852,819	-	1,852,819	-	-	-	-	1,852,819
	7,964,944	30,119,551	38,084,495	-	10,056,094	-	-	48,140,589
Less accumulated depreciation	(3,169,794)	(1,320,160)	(4,489,954)	-	(5,019,402)	-	-	(9,509,356)
<b>Total property and equipment</b>	<b>4,795,150</b>	<b>28,799,391</b>	<b>33,594,541</b>	<b>-</b>	<b>5,036,692</b>	<b>-</b>	<b>-</b>	<b>38,631,233</b>
<b>Other assets:</b>								
Operating right-of-use asset, net	12,793,738	-	12,793,738	-	-	-	(12,793,738)	-
Investments	30,082	-	30,082	-	-	26,986,669	-	27,016,751
Beneficial interest in charitable trusts	256,979	-	256,979	-	-	1,943,288	-	2,200,267
Pledges receivable, net of current portion	-	-	-	-	-	780,763	-	780,763
Note receivable	-	-	-	17,804,100	-	-	-	17,804,100
Other	42,199	-	42,199	-	-	-	-	42,199
<b>Total other assets</b>	<b>13,122,998</b>	<b>-</b>	<b>13,122,998</b>	<b>17,804,100</b>	<b>-</b>	<b>29,710,720</b>	<b>(12,793,738)</b>	<b>47,844,080</b>
<b>Total assets</b>	<b>\$ 42,985,224</b>	<b>29,348,143</b>	<b>72,333,367</b>	<b>17,804,100</b>	<b>6,520,352</b>	<b>32,302,795</b>	<b>(12,794,038)</b>	<b>116,166,576</b>
<b>Liabilities and net assets:</b>								
<b>Current liabilities:</b>								
Accounts payable	\$ 963,912	-	963,912	-	789	300	(300)	964,701
Cash held for others - Representative Payee	986,454	-	986,454	-	-	-	-	986,454
Cash held for others	4,453	-	4,453	-	-	-	-	4,453
Accrued expenses	1,856,557	-	1,856,557	-	-	18,945	-	1,875,502
Refundable advance	95,478	122	95,600	-	-	-	-	95,600
<b>Total current liabilities</b>	<b>3,906,854</b>	<b>122</b>	<b>3,906,976</b>	<b>-</b>	<b>789</b>	<b>19,245</b>	<b>(300)</b>	<b>3,926,710</b>
<b>Long-term liabilities:</b>								
Operating lease liabilities	14,329,481	-	14,329,481	-	-	-	(14,329,481)	-
Notes payable	-	23,475,000	23,475,000	-	-	-	-	23,475,000
	14,329,481	23,475,000	37,804,481	-	-	-	(14,329,481)	23,475,000
<b>Total liabilities</b>	<b>18,236,335</b>	<b>23,475,122</b>	<b>41,711,457</b>	<b>-</b>	<b>789</b>	<b>19,245</b>	<b>(14,329,781)</b>	<b>27,401,710</b>
<b>Net assets:</b>								
Without donor restrictions	21,329,941	5,873,021	27,202,962	17,804,100	6,519,563	26,131,447	1,535,743	79,193,815
With donor restrictions	3,418,948	-	3,418,948	-	-	6,152,103	-	9,571,051
<b>Total net assets</b>	<b>24,748,889</b>	<b>5,873,021</b>	<b>30,621,910</b>	<b>17,804,100</b>	<b>6,519,563</b>	<b>32,283,550</b>	<b>1,535,743</b>	<b>88,764,866</b>
<b>Total liabilities and net assets</b>	<b>\$ 42,985,224</b>	<b>29,348,143</b>	<b>72,333,367</b>	<b>17,804,100</b>	<b>6,520,352</b>	<b>32,302,795</b>	<b>(12,794,038)</b>	<b>116,166,576</b>

See independent auditors' report

	Freestore Foodbank, Inc.			FG-GBH LLC	FG-Hope, Inc.	Corwine Foundation, Inc.	The Freestore Foodbank Foundation, Inc.			Total			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
	Public support:												
Contributions and grants	\$ 9,284,678	7,612,886	16,897,564	-	-	-	328,935	1,336,481	1,665,416	9,613,613	8,949,367	-	18,562,980
Government agencies	4,877,750	-	4,877,750	-	-	-	-	-	-	4,877,750	-	-	4,877,750
Change in interest in irrevocable trusts	-	12,818	12,818	-	-	-	-	168,759	168,759	-	181,577	-	181,577
	<u>14,162,428</u>	<u>7,625,704</u>	<u>21,788,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,935</u>	<u>1,505,240</u>	<u>1,834,175</u>	<u>14,491,363</u>	<u>9,130,944</u>	<u>-</u>	<u>23,622,307</u>
Revenues:													
Program services:													
Private organizations	671,243	-	671,243	-	-	-	-	-	-	671,243	-	-	671,243
Member agency fees/product resale	4,633,199	-	4,633,199	-	-	-	-	-	-	4,633,199	-	-	4,633,199
Client services - individuals	57,816	-	57,816	-	-	-	-	-	-	57,816	-	-	57,816
Social enterprises	27,075	-	27,075	-	-	-	-	-	-	27,075	-	-	27,075
Special events	1,330,762	-	1,330,762	-	-	-	-	-	-	1,330,762	-	-	1,330,762
In-kind goods and services:													
Advertising services	34,000	-	34,000	-	-	-	-	-	-	34,000	-	-	34,000
Foodbank donations - food and products	57,964,009	-	57,964,009	-	-	-	-	-	-	57,964,009	-	-	57,964,009
Investment return, net	9,686	-	9,686	-	-	-	2,466,568	71,032	2,537,600	2,476,254	71,032	-	2,547,286
Gain on disposal of property and equipment	88,169	-	88,169	-	-	-	-	-	-	88,169	-	-	88,169
Other	594,199	-	594,199	3,063	178,041	277,769	-	-	-	1,053,072	-	-	1,053,072
Intercompany:													
Rental revenue/(expense)	(1,071,617)	-	(1,071,617)	201,000	-	188,064	-	-	-	(682,553)	-	682,553	-
Donation to/(from)	1,386,629	-	1,386,629	-	(178,041)	-	(1,208,588)	-	(1,208,588)	-	-	-	-
Net assets released from restriction:													
Satisfaction of program and purpose restrictions	4,681,965	(4,681,965)	-	-	-	-	-	-	-	4,681,965	(4,681,965)	-	-
Satisfaction of time restrictions	2,952,107	(2,952,107)	-	-	-	-	2,690,330	(2,690,330)	-	5,642,437	(5,642,437)	-	-
	<u>73,359,242</u>	<u>(7,634,072)</u>	<u>65,725,170</u>	<u>204,063</u>	<u>-</u>	<u>465,833</u>	<u>3,948,310</u>	<u>(2,619,298)</u>	<u>1,329,012</u>	<u>77,977,448</u>	<u>(10,253,370)</u>	<u>682,553</u>	<u>68,406,631</u>
Total public support and revenues	<u>87,521,670</u>	<u>(8,368)</u>	<u>87,513,302</u>	<u>204,063</u>	<u>-</u>	<u>465,833</u>	<u>4,277,245</u>	<u>(1,114,058)</u>	<u>3,163,187</u>	<u>92,468,811</u>	<u>(1,122,426)</u>	<u>682,553</u>	<u>92,028,938</u>
Expenses:													
Client services	5,766,577	-	5,766,577	40,026	-	205,608	-	-	-	6,012,211	-	-	6,012,211
Workforce development	2,750,282	-	2,750,282	150,451	-	-	1,500	-	1,500	2,902,233	-	-	2,902,233
Foodbank:													
In-kind expenses	57,933,492	-	57,933,492	-	-	-	-	-	-	57,933,492	-	-	57,933,492
Supportive services	13,562,389	-	13,562,389	373,761	-	-	-	-	-	13,936,150	-	-	13,936,150
Social enterprises	7,854	-	7,854	-	-	-	-	-	-	7,854	-	-	7,854
Management and general	3,568,168	-	3,568,168	264,659	-	190,926	80,882	-	80,882	4,104,635	-	-	4,104,635
Fundraising	3,512,260	-	3,512,260	117,333	-	-	-	-	-	3,629,593	-	-	3,629,593
	<u>87,101,022</u>	<u>-</u>	<u>87,101,022</u>	<u>946,230</u>	<u>-</u>	<u>396,534</u>	<u>82,382</u>	<u>-</u>	<u>82,382</u>	<u>88,526,168</u>	<u>-</u>	<u>-</u>	<u>88,526,168</u>
Change in net assets	420,648	(8,368)	412,280	(742,167)	-	69,299	4,194,863	(1,114,058)	3,080,805	3,942,643	(1,122,426)	682,553	3,502,770
Net assets at beginning of year	<u>20,909,293</u>	<u>3,427,316</u>	<u>24,336,609</u>	<u>6,615,188</u>	<u>17,804,100</u>	<u>6,450,264</u>	<u>21,936,584</u>	<u>7,266,161</u>	<u>29,202,745</u>	<u>73,715,429</u>	<u>10,693,477</u>	<u>853,190</u>	<u>85,262,096</u>
Net assets (deficit) at end of year	\$ <u>21,329,941</u>	<u>3,418,948</u>	<u>24,748,889</u>	<u>5,873,021</u>	<u>17,804,100</u>	<u>6,519,563</u>	<u>26,131,447</u>	<u>6,152,103</u>	<u>32,283,550</u>	<u>77,658,072</u>	<u>9,571,051</u>	<u>1,535,743</u>	<u>88,764,866</u>

