

GREATER PITTSBURGH COMMUNITY FOOD BANK
Duquesne, Pennsylvania

Consolidated Financial Statements
and
Reporting Under *Government Auditing Standards*
and Uniform Guidance
For the year ended June 30, 2025
and Independent Auditor's Report Thereon



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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Greater Pittsburgh Community Food Bank
Duquesne, Pennsylvania

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Greater Pittsburgh Community Food Bank (Food Bank) (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statement of activities and changes in net assets for the year ended June 30, 2025, and the consolidated statements of functional expenses and cash flows for the years ended June 30, 2025 and 2024, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Food Bank as of June 30, 2025 and 2024, and the changes in its net assets for the year ended June 30, 2025 and its functional expenses and cash flows for the years ended June 30, 2025 and 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Food Bank and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and *Government 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 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 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 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 the Food Bank's 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Food Bank's 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 financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Food Bank's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 27, 2024. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of the Food Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Food Bank's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Food Bank's internal control over financial reporting and compliance.

Schneider Downs & Co, Inc.

Pittsburgh, Pennsylvania
December 11, 2025

GREATER PITTSBURGH COMMUNITY FOOD BANK

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30	
	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 4,127,859	\$ 6,239,697
Receivables, net	2,701,347	4,975,021
Investments	32,414,590	27,956,723
Inventory, net	3,392,816	3,547,357
Prepaid expenses	161,272	107,095
New market tax credit leverage loan receivable	15,104,000	15,104,000
Fixed assets, net	23,442,246	24,347,774
Land	332,699	332,699
	<u>332,699</u>	<u>332,699</u>
Total Assets	<u>\$ 81,676,829</u>	<u>\$ 82,610,366</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,483,395	\$ 3,840,596
Refundable advances	1,064,246	1,855,332
Lease liabilities	201,103	119,719
New market tax credit loans, net	21,575,915	21,572,535
	<u>21,575,915</u>	<u>21,572,535</u>
Total Liabilities	26,324,659	27,388,182
NET ASSETS		
Without donor restrictions	52,217,757	48,351,130
With donor restrictions:		
Grants and programs	2,729,091	4,465,125
Comprehensive campaign	405,322	2,405,929
	<u>405,322</u>	<u>2,405,929</u>
Total Net Assets	<u>55,352,170</u>	<u>55,222,184</u>
Total Liabilities And Net Assets	<u>\$ 81,676,829</u>	<u>\$ 82,610,366</u>

See notes to consolidated financial statements.

GREATER PITTSBURGH COMMUNITY FOOD BANK

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025
(with comparative totals for the year ended June 30, 2024)

	Without	With Donor Restrictions			Totals	
	Restrictions	Grants	Comprehensive	Total	2025	2024
	General	and	Campaign	With		
	Operating	Programs		Restrictions		
	Fund					
PUBLIC SUPPORT AND REVENUE						
Public support:						
Donated food	\$ 42,177,575	-	-	-	\$ 42,177,575	\$ 33,916,590
Foundations	3,736,434	\$ 2,066,297	-	\$ 2,066,297	5,802,731	5,008,087
Individuals	13,554,560	818,614	\$ 275	818,889	14,373,449	15,586,695
Corporations	3,053,430	285,324	-	285,324	3,338,754	2,923,633
Organizational donations	944,030	609,394	-	609,394	1,553,424	1,527,827
Government grants	-	20,907,157	-	20,907,157	20,907,157	22,897,287
Other	13,038	-	-	-	13,038	-
Total Public Support	63,479,067	24,686,786	275	24,687,061	88,166,128	81,860,119
Revenue:						
Wholesale food sales	4,404,416	-	-	-	4,404,416	4,137,128
Shared maintenance	142,306	-	-	-	142,306	132,145
Special events	56,999	-	-	-	56,999	42,084
Transportation services	102,695	-	-	-	102,695	105,802
Investment income, net	1,020,822	24,313	10,515	34,828	1,055,650	1,078,056
Net realized and unrealized gains on investments	1,853,746	34,136	-	34,136	1,887,882	1,883,654
Miscellaneous income	146,903	-	-	-	146,903	408,158
Loss on disposal	(27,632)	-	-	-	(27,632)	(13,164)
Membership dues	13,750	-	-	-	13,750	13,200
Total Revenue	7,714,005	58,449	10,515	68,964	7,782,969	7,787,063
Net assets released from program restrictions	28,492,666	(26,481,269)	(2,011,397)	(28,492,666)	-	-
Total Public Support And Revenue	99,685,738	(1,736,034)	(2,000,607)	(3,736,641)	95,949,097	89,647,182
FUNCTIONAL EXPENSES						
Program services	88,832,897	-	-	-	88,832,897	78,875,849
Supporting services	3,292,498	-	-	-	3,292,498	3,120,959
Fundraising	3,693,716	-	-	-	3,693,716	3,553,799
Total Functional Expenses	95,819,111	-	-	-	95,819,111	85,550,607
Changes in Net Assets	3,866,627	(1,736,034)	(2,000,607)	(3,736,641)	129,986	4,096,575
NET ASSETS						
Beginning of year	48,351,130	4,465,125	2,405,929	6,871,054	55,222,184	51,125,609
End of year	\$ 52,217,757	\$ 2,729,091	\$ 405,322	\$ 3,134,413	\$ 55,352,170	\$ 55,222,184

See notes to consolidated financial statements.

GREATER PITTSBURGH COMMUNITY FOOD BANK

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services				Total Program Services
	Food Distribution	Network Outreach	Community Outreach and Education	Community Impact	
Donated food distributed	\$ 57,197,141	-	-	-	\$ 57,197,141
Cost of purchased food	12,455,083	-	-	-	12,455,083
Salaries and wages	4,301,394	\$1,286,147	\$ 574,401	\$1,371,914	7,533,856
Payroll taxes	349,119	104,452	45,999	113,537	613,107
Employee benefits	1,036,776	270,568	104,161	280,710	1,692,215
Professional services	51,139	87,069	26,499	76,888	241,595
Fees for service	234,185	14,235	5,081	18,242	271,743
Supplies	238,201	33,652	23,304	879,865	1,175,022
Technology expense	341,906	126,143	57,478	153,873	679,400
Printing and postage	30,195	15,649	1,781	45,903	93,528
Advertising	25,656	38,483	25,656	97,213	187,008
Freight and vehicles	1,080,436	365	730	7,790	1,089,321
Occupancy	834,008	20,215	10,883	58,900	924,006
Travel, meetings, membership	75,609	69,729	32,515	35,749	213,602
Agency support	34,566	2,211,324	7,655	161,151	2,414,696
Interest	211,324	6,732	3,580	15,422	237,058
Miscellaneous	52,036	7	13	132	52,188
 Total Functional Expenses Before Depreciation and Amortization	 78,548,774	 4,284,770	 919,736	 3,317,289	 87,070,569
 Depreciation and amortization	 1,385,828	 127,662	 56,846	 191,992	 1,762,328
 Total Functional Expenses	 <u>\$ 79,934,602</u>	 <u>\$4,412,432</u>	 <u>\$ 976,582</u>	 <u>\$3,509,281</u>	 <u>\$ 88,832,897</u>

<u>Supporting Services</u>	<u>Fundraising</u>	<u>Total</u>
-	-	\$ 57,197,141
-	-	12,455,083
\$1,933,326	\$1,294,482	10,761,664
149,966	103,887	866,960
373,072	229,753	2,295,040
252,117	141,726	635,438
90,968	1,154,323	1,517,034
53,093	35,200	1,263,315
118,772	145,247	943,419
9,214	65,606	168,348
33,280	258,221	478,509
122	-	1,089,443
35,471	23,938	983,415
89,957	52,345	355,904
717	64,997	2,480,410
12,321	7,885	257,264
<u>1,495</u>	<u>8,428</u>	<u>62,111</u>
3,153,891	3,586,038	93,810,498
<u>138,607</u>	<u>107,678</u>	<u>2,008,613</u>
<u><u>\$3,292,498</u></u>	<u><u>\$3,693,716</u></u>	<u><u>\$ 95,819,111</u></u>

See notes to consolidated financial statements.

GREATER PITTSBURGH COMMUNITY FOOD BANK

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services				Total Program Services
	Food Distribution	Network Outreach	Community Outreach and Education	Community Impact	
Donated food distributed	\$48,666,601	-	-	-	\$ 48,666,601
Cost of purchased food	11,747,977	-	-	-	11,747,977
Salaries and wages	4,328,771	\$1,167,332	\$ 608,807	\$1,338,505	7,443,415
Payroll taxes	321,883	88,070	43,345	103,613	556,911
Employee benefits	986,908	213,906	101,483	240,802	1,543,099
Professional services	45,712	34,659	6,762	6,665	93,798
Fees for service	235,087	14,038	8,768	30,208	288,101
Supplies	241,498	17,044	25,550	755,997	1,040,089
Technology expense	314,804	116,878	57,161	134,057	622,900
Printing and postage	28,249	4,797	2,899	42,860	78,805
Advertising	69,434	60,168	45,126	43,237	217,965
Freight and vehicles	851,984	475	951	10,139	863,549
Occupancy	804,422	26,168	12,940	50,517	894,047
Travel, meetings, membership	68,495	40,536	32,320	41,393	182,744
Agency support	32,476	2,350,391	1,335	268,873	2,653,075
Interest	213,489	8,486	4,199	13,676	239,850
Miscellaneous	5,691	27	8	224	5,950
Total Functional Expenses Before Depreciation and Amortization	68,963,481	4,142,975	951,654	3,080,766	77,138,876
Depreciation and amortization	1,382,650	121,522	58,606	174,195	1,736,973
Total Functional Expenses	\$70,346,131	\$4,264,497	\$ 1,010,260	\$3,254,961	\$ 78,875,849

Supporting Services	Fundraising	Total
-	-	\$ 48,666,601
-	-	11,747,977
\$1,873,208	\$ 1,227,380	10,544,003
132,310	91,066	780,287
353,489	210,085	2,106,673
179,577	118,749	392,124
68,124	1,203,012	1,559,237
47,823	26,925	1,114,837
114,319	131,733	868,952
9,742	66,591	155,138
60,822	238,308	517,095
158	-	863,707
30,985	22,436	947,468
94,767	42,874	320,385
846	57,317	2,711,238
10,159	7,295	257,304
19,496	7,796	33,242
2,995,825	3,451,567	83,586,268
<u>125,134</u>	<u>102,232</u>	<u>1,964,339</u>
<u><u>\$3,120,959</u></u>	<u><u>\$ 3,553,799</u></u>	<u><u>\$ 85,550,607</u></u>

See notes to consolidated financial statements.

GREATER PITTSBURGH COMMUNITY FOOD BANK

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 129,986	\$ 4,096,575
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Donated inventory, net change	(374,942)	(278,752)
Depreciation and amortization	2,008,613	1,964,339
Amortization of deferred financing costs, included in interest expense	3,380	3,380
Loss on disposal of equipment	27,632	13,164
Net unrealized gains on investments	(2,943,532)	(1,883,654)
Allowance for credit losses	27,730	10,000
Changes in assets and liabilities:		
Receivables	2,245,944	(1,834,513)
Purchased inventory	(133,621)	(148,662)
Prepaid expenses	(54,177)	(66,942)
Accounts payable and accrued liabilities	(289,201)	(995,073)
Refundable advances, net of change in government commodity inventory	(127,982)	123,526
Net Cash Provided By Operating Activities	519,830	1,003,388
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(1,056,019)	(783,651)
Proceeds on disposal of equipment	5,350	4,400
Purchases of investments	(14,373,532)	(710,706)
Proceeds on sale of investments	12,859,197	783,882
Net Cash Used In Investing Activities	(2,565,004)	(706,075)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on lease liabilities	(66,664)	(182,327)
Net (Decrease) Increase In Cash, Cash Equivalents and Restricted Cash	(2,111,838)	114,986
CASH AND CASH EQUIVALENTS		
Beginning of year	6,239,697	6,124,711
End of year	\$ 4,127,859	\$ 6,239,697
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ 257,000	\$ 257,000

SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING ACTIVITIES

As of June 30, 2025 and 2024, the government commodity inventory approximated \$960,000 and \$1,635,000, respectively, and is recorded as refundable advances.

As of June 30, 2025 and 2024, the Company had payable approximately \$68,000 and \$603,000 of fixed asset purchases.

SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING ACTIVITIES

During the year ended June 30, 2025, the Company acquired right-of-use asset and lease liability for approximately \$148,000 and \$189,000, respectively.

See notes to consolidated financial statements.

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 1 - ORGANIZATION

The Greater Pittsburgh Community Food Bank (Food Bank) is a nonprofit hunger relief organization that distributes donated, purchased and prepared foods through a network of over 1,000 agencies, partners and programs throughout 11 counties. The Food Bank supports the nutritional needs of southwestern Pennsylvania through research, education, advocacy and strategic partnerships. During the year ended June 30, 2025, the Food Bank provided access to over 53 million nutritious meals (unaudited). The Food Bank is a member of Feeding America, a national hunger relief organization and network of food banks.

In fiscal year 2021, the Food Bank established the GPCFB Support Corporation (Support Corporation) as a nonprofit organization to hold the Food Bank's fixed assets and Qualified Low-Income Community Investment loans. This transaction coincided with the renovation and expansion of the Food Bank's facility in Duquesne, Pennsylvania (Project). Note 3 provides further information. The Food Bank is the sole voting member of the Support Corporation and operates and maintains the facility for its exclusive benefit and use; therefore, the Support Corporation is consolidated into the financial statements of the Food Bank.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying consolidated financial statements follows:

Principles of Consolidation - The consolidated financial statements include the accounts of the Food Bank and the Support Corporation (collectively referred to as the Organization). Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates - The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The average wholesale per-pound value of food-only items, as determined by Feeding America (See Note 5) and the U.S. Department of Agriculture commodity index, provides the basis for contributions of donated food and donated food distributed for the years ended June 30, 2025 and 2024, and donated food inventory at June 30, 2025 and 2024, which represent significant components of the consolidated financial statements.

Net Assets - The Food Bank classifies resources for accounting and reporting purposes into separate net asset classes based on the absence or existence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into similar categories. A description of the Food Bank's net asset categories is as follows:

Without Donor Restrictions - Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions or stipulations as to purpose or use. The governing board has designated from net assets without donor restrictions, net assets for the Feed the Future Fund, an operating reserve (See Note 4), capital reserve (See Note 4), and Strategic Innovation Fund (See Note 4).

With Donor Restrictions - Net assets with donor restrictions are net assets subject to donor-or grantor-imposed restrictions or stipulations that may or will be met either by actions of the Food Bank or the passage of time.

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Food Bank reports gifts of cash and other assets as restricted support if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to without donor restriction net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Donated Food and Services - The Food Bank receives a substantial amount of donated food from local and regional processors, distributors, retailers, farms and government agencies. Donated food received and distributed by the Food Bank has been reflected in the accompanying consolidated financial statements at the average wholesale per pound value of food-only items as determined annually by Feeding America or the U.S. Department of Agriculture commodity index. (See Note 5.) The Food Bank pays a value-added processing charge on certain donated food, which approximated \$3,239,000 and \$3,003,000 for the years ended June 30, 2025 and 2024, respectively. These amounts are included within the cost of donated food distributed on the consolidated statements of functional expenses.

The Food Bank occasionally receives certain donated professional services, which are valued by the donors based on rates commensurate with the type of services performed. These services are reflected in the accompanying consolidated financial statements as both revenue and expense, which were not significant for the years ended June 30, 2025 and 2024, respectively.

Inventory - The inventory of the Food Bank consists of food and other grocery products that are valued at the lower of cost (on first-in, first-out basis) except for donated food, which is reflected at average wholesale value as determined by Feeding America or U.S. Department of Agriculture commodity index, or net realizable value. A separate inventory is maintained for goods purchased with state grant program funds. Net realizable value is determined based on sales transactions at or near the consolidated statement of financial position date. The Food Bank evaluates perishable products on a continuing basis for spoilage and records the loss of inventory when spoilage occurs, which totaled approximately \$327,000 and \$586,000 during the years ended June 30, 2025 and 2024, respectively, and are reflected as a component of donated and purchased food distributed on consolidated statements of functional expenses.

Revenue Recognition - The Food Bank follows the Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) Topic 606, Revenue from Contracts with Customers (Topic 606), under which revenue is recognized in accordance with a five-step model that includes: identifying the contracts with customers; identifying the separate performance obligations; determining the transaction price; allocating the transaction price to the separate performance obligations; and recognizing revenue when (or as) each performance obligation is satisfied.

The Food Bank generates revenue from individual contracts with customers, primarily through food sales and related fees revenue. The provisions of Topic 606 are applied by the Food Bank on an individual contract basis. As a practical expedient, the Food Bank applies this Topic to a portfolio of contracts with similar characteristics for the fee for service revenue stream. The Food Bank expects that the effects of applying this guidance to the portfolios would not significantly differ from applying the guidance to the individual contracts within the portfolio.

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Food Bank receives revenue through donated food, which is recorded as an in-kind contribution. Revenues from food sales and related fees that are reported in the fiscal year in which the food is delivered are included in wholesale food sales within the accompanying consolidated statements of activities. The Food Bank generally charges a shared maintenance fee for each pound of donated product shipped to member agencies and affiliated food banks to support the Food Bank's operational expenses.

The Food Bank applies the practical expedient in FASB ASC 606-10-50-14 and, therefore, does not disclose further information about remaining performance obligations that have original expected durations of one year or less. There was no revenue recognized during the years ended June 30, 2025 and 2024 from performance obligations that were satisfied or partially satisfied in prior periods.

Public support consists of grants and donations from governments, corporations, foundations, individuals, other organizations and fundraising activities.

Major Contributors - Total public support and revenue for the year ended June 30, 2025 includes food donations made by one corporation that represent approximately 18% and 16% of total public support and revenue for the years ended June 30, 2025 and 2024, respectively.

Cash and Cash Equivalents - The Food Bank maintains its cash balances in local financial institutions, which may at times exceed federally insured amounts. The Food Bank has not experienced any losses on such accounts. The Food Bank considers all investments with a purchased maturity of three months or less to be cash equivalents.

Receivables - Receivables represent amounts due from agencies, foundations, partner distribution organizations and government funding sources for services performed and products distributed by the Food Bank. Provisions are made for estimated uncollectible unconditional promises to give based on historical collection experience, a review of the current status of unconditional promises to give and judgment. Decisions to charge off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. It is reasonably possible that the Food Bank's estimate of the allowance for credit losses will change. (See Note 6.)

Fair Value Measurement - The Food Bank defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., exit price) in an orderly transaction between market participants at the measurement date. Disclosures are required that categorize assets and liabilities measured at fair value into three different levels, depending on the assumptions used in the valuation. (See Note 13.)

Investments - Investments are carried at fair value with unrealized gains and losses included in the consolidated statement of activities and changes in net assets. Investment income, including interest and dividends, and realized and unrealized gains on investments are reported as increases or decreases in net assets without donor restriction unless a donor or law restrict their use. Investments received by gift are recorded at fair value on the date of donation. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, changes in value will occur in the near term, and it is reasonably possible that such changes could materially affect the amounts reported in the consolidated statements of financial position.

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets - Fixed assets are recorded at the lower of cost or net realizable value. Depreciation is provided on the straight-line method over estimated useful lives. Repairs and maintenance that do not extend the lives of the applicable assets are charged to expense as incurred. A gain or loss resulting from the retirement or other disposition of assets is included in total public support and revenue.

Management reviews the carrying amount of fixed assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts might not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If these comparisons indicate that an asset is not recoverable, the impairment loss recognized is the amount by which the carrying amount of the asset exceeds the related estimated fair value, based on appraisals or other methods to estimate fair value. No impairment loss was recognized in either 2025 or 2024.

Refundable Advances - Refundable advances consist of program service fees, government grants and government commodities inventories that are received in advance of the expenditure or distribution to which they relate through program completion or donor stipulation.

Advertising Costs - The Food Bank uses advertising to promote its mission and educational programs in the southwestern Pennsylvania region. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2025 and 2024 was approximately \$479,000 and \$517,000, respectively.

Income Taxes - The Food Bank and the Support Corporation are exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC) and are not a private foundation under Section 509 of the IRC. Accordingly, no provision for income taxes is recorded in the consolidated financial statements. The Food Bank's consolidated statements of financial position at June 30, 2025 and 2024 do not include any liabilities associated with uncertain tax positions; further, the Food Bank has no unrecognized tax benefits. The Food Bank's policy is to record interest and penalties related to unrecognized tax benefits as a component of income tax expense, if incurred or assessed. The Food Bank is no longer subject to examination of its tax returns for years before 2022.

Subsequent Events - Subsequent events are defined as events or transactions that occur after the balance sheet date but before the consolidated financial statements are issued or are available to be issued. Management has considered subsequent events through December 11, 2025, the date on which the consolidated financial statements were available to be issued.

NOTE 3 - NEW MARKET TAX CREDIT LOANS AND LEVERAGED LOAN RECEIVABLE

The New Market Tax Credit (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. The Food Bank determined that financing under the NMTC program would provide an attractive source of funding for the Project, ultimately providing \$5,120,000 of additional capital.

In October 2020, the Food Bank entered into transactions with two CDEs under the NMTC program for construction, renovation and equipping the headquarters facility. The Food Bank formed the Support Corporation, a new not-for-profit corporation that is controlled by the Food Bank, to facilitate the transaction.

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 3 - NEW MARKET TAX CREDIT LOANS AND LEVERAGED LOAN RECEIVABLE (Continued)

The Food Bank and CDEs loaned funds to the Support Corporation for use in this renovation and construction project. The Food Bank's \$15,104,000 in NMTC leveraged loans to the Support Corporation helped the Support Corporation receive approximately \$21,680,000 in funds after transactions costs and fees.

A \$10,000,000 line of credit, secured by certain assets of the Food Bank, was obtained from PNC Bank in September 2020 to fund a portion of the NMTC transaction. The Food Bank initially borrowed \$9,200,000 under this credit facility in October 2020. This loan was fully repaid in September 2021.

PNC CDE 109, LLC (PNC) and RDP 37 LLC (RDP), collectively known as CDEs, provided NMTC loans to the Support Corporation to finance the renovation. These loans were made in conjunction with the NMTC leveraged loan from the Food Bank.

The CDEs received allocations of NMTC pursuant to Section 45D of the IRC in order to assist eligible businesses in making investments in certain low income communities. The availability of NMTC allowed PNC New Markets Investments Partners, LLC (PNC NMTC) to invest \$7,176,000 in the GPCFB Investment Fund, LLC (Investment Fund). The Food Bank also made a NMTC leveraged loan of \$15,104,000 from the proceeds of the PNC Bank Loan of \$9,200,000 and the Food Bank equity of \$5,904,000. In addition, there was a transfer of building and land owned of approximately \$2,088,000 to the Support Corporation. The Investment Fund used the combined amount to make equity contributions of \$16,000,000 to RDP and \$6,000,000 to PNC. The CDEs, in turn, used the contributions to make the NMTC loans to the Support Corporation. The NMTC loans are secured by the assignment of pledge receivables, an open-end mortgage, leases and rents, interest in leasehold improvements, cash accounts and a guarantee by the Food Bank.

The NMTC loans mature on December 31, 2054; the principal is payable in quarterly installments commencing March 5, 2028. Interest is payable quarterly, commencing December 5, 2020 at the following interest rates:

	<u>Principal Amounts</u>	<u>Interest Rates</u>
PNC	\$ 6,000,000	1.142%
RDP	<u>15,680,000</u>	1.142%
Total new market tax credit loans	21,680,000	
Less: Loan origination fees	<u>(104,085)</u>	
	<u>\$ 21,575,915</u>	

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 3 - NEW MARKET TAX CREDIT LOANS AND LEVERAGED LOAN RECEIVABLE (Continued)

The Food Bank expects to receive quarterly interest payments of 1% on the NMTC leveraged loans from the Investment Fund from December 15, 2020 through December 31, 2027. The NMTC leveraged loans mature on June 30, 2049, and principal is payable in quarterly installments commencing March 15, 2028. Amounts received from the Investment Fund as payment on the NMTC leveraged loans will be used to make interest payments on the NMTC loans.

In 2027, PNC NMTC has a right and put option, but not an obligation, for a period of 120 days, to require the Food Bank to purchase all of PNC New Markets Investment Partners, LLC's interest in the Investment Fund for a put exercise price of \$1,000 plus the closing costs. If the put is not exercised, then the Food Bank has the right to purchase PNC New Markets Investment Partners, LLC's interest in the Investment Fund (call option) at an amount equal to the fair market value of PNC New Markets Investment Partners, LLC's interest in the Investment Fund.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Food Bank is substantially supported by contributions and donations with and without donor restrictions. The Food Bank must maintain sufficient resources to meet the obligations in support of its mission and programs. There are, however, certain financial assets that may not be available for general expenditures within one year due to donor restrictions. As part of the Food Bank's liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities and other obligations become due. As of June 30, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditure, such as for operating expenses, including food distribution, advocacy and education, were as follows:

	<u>2025</u>	<u>2024</u>
Total financial assets:		
Cash and cash equivalents	\$ 4,127,859	\$ 6,239,697
Receivables	2,701,347	4,975,021
Investments without board designations	5,026,080	3,826,157
Less: Cash and cash equivalents for the Support Corporation	(1,095,795)	(805,424)
Less: Financial assets restricted for Campaign	(405,322)	(2,405,929)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,354,169</u>	<u>\$ 11,829,522</u>

The Food Bank's board of trustees (Board) has designated a portion of its resources without donor restriction for operations and other purposes. These funds are invested for long-term capital appreciation and current income but remain available and may be spent at the discretion of the Board. At June 30, 2025 and 2024, approximately \$20,427,000 and \$17,704,000 was designated by the Board for operating reserves into the Feed the Future Fund, respectively. Throughout the year, the Food Bank may seek approval from the Board to deposit surplus operating funds or withdraw funds to offset operating deficits as needed. The Food Bank requested and completed an approved withdrawal of funds for \$1,000,000 during the years ended June 30, 2025 and 2024 to fund operations. The Food Bank also completed an approved deposit of surplus operating funds for \$1,000,000 during the years ended June 30, 2025 and 2024.

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 4 - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

At June 30, 2025 and 2024, approximately \$6,529,000 and \$6,036,000 was designated by the Board for the Strategic Innovation Fund, respectively. Annually, the Food Bank may request a withdrawal of up to 10% of the funds equal to the average market value of the most recent three fiscal year-ends, or as otherwise approved by the Board. The withdrawal must be approved by the Board. The Food Bank requested and completed approved withdrawals of funds for approximately \$162,000 and \$112,000, during the years ended June 30, 2025 and 2024, respectively.

The Food Bank also had approximately \$2,729,000 and \$4,465,000 at June 30, 2025 and 2024, respectively, related to grants and programs that are restricted and will be used within the Food Bank's general mission, which were excluded from financial assets restricted for Campaign in the table above.

The Food Bank also maintains a \$3,000,000 line of credit with a bank that is available in the event of unanticipated liquidity needs. The line was not drawn upon in fiscal years 2025 and 2024. (See Note 15).

Additionally, as a member of Feeding America, the Food Bank is required to maintain a three-month operating reserve or demonstrate positive working capital in each of the two preceding fiscal years. (See Note 5.) As of June 30, 2025 and 2024, the Food Bank met both of these criteria.

NOTE 5 - FEEDING AMERICA AFFILIATION

The Food Bank is a member of Feeding America, the nation's leading domestic hunger relief charity and national network of food banks. In accordance with the financial stability requirement of Feeding America, member food banks are required to maintain a three-month operating reserve in case of emergency situations or demonstrated positive working capital, which is defined by Feeding America as current assets less current liabilities, excluding inventory, in each of the two preceding fiscal years. The Food Bank has demonstrated positive working capital in both the years ended June 30, 2025 and 2024 and, therefore, is not required to establish an operating reserve to meet the Feeding America monitoring requirement.

NOTE 6 - RECEIVABLES

The Food Bank's receivables at June 30 consist of the following:

	<u>2025</u>		<u>2024</u>
Grants receivable	\$ 1,200,567	\$	3,367,130
Amounts due from agencies	404,722		495,993
Contributions receivable	1,142,472		1,130,638
Miscellaneous	8,939		8,883
	<u>2,756,700</u>		<u>5,002,644</u>
Less - Allowance for contributions receivable	<u>(55,353)</u>		<u>(27,623)</u>
	<u>\$ 2,701,347</u>	\$	<u>4,975,021</u>

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 6 - RECEIVABLES (Continued)

Contributions receivable as of June 30, 2025 consist of approximately \$752,000 due in less than one year and approximately \$390,000 due in one to five years. The remaining receivables of approximately \$1,614,000 are due in less than one year.

NOTE 7 - INVESTMENTS

Investments at June 30 consist of the following:

	Fair Value Hierarchy (Note 13)	2025		2024	
		Fair Value	Cost	Fair Value	Cost
Cash	1	\$ 6,575,079	\$ 6,575,079	\$ 3,591,388	\$ 3,591,388
Treasury bonds	2	197,366	195,842	197,096	194,798
Corporate bonds	2	5,809,475	5,863,113	7,073,845	7,268,084
Municipal bonds	2	3,376,314	3,371,632	2,547,880	2,599,113
Common stocks	1	16,439,050	10,972,937	13,768,624	9,558,971
Mortgage pools	2	17,306	18,562	678,461	689,548
Certificate of deposit	1	-	-	99,429	100,006
		<u>\$ 32,414,590</u>	<u>\$ 26,997,165</u>	<u>\$ 27,956,723</u>	<u>\$ 24,001,908</u>

Investment income and fees for the years ended June 30 is composed of the following:

	2025	2024
Interest	\$ 865,653	\$ 850,099
Dividends	302,780	327,432
Fees	(112,783)	(99,475)
	<u>\$ 1,055,650</u>	<u>\$ 1,078,056</u>

Net realized and unrealized gains (losses) on investments for the years ended June 30 are composed of the following:

	2025	2024
Net realized gains/(losses)	\$ 425,272	\$ (241,344)
Net unrealized gains	<u>1,462,610</u>	<u>2,124,998</u>
	<u>\$ 1,887,882</u>	<u>\$ 1,883,654</u>

GREATER PITTSBURGH COMMUNITY FOOD BANK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 - INVENTORY

Inventory at June 30 consists of the following:

	<u>2025</u>	<u>2024</u>
Purchased and state food purchased inventory	\$ 1,654,227	\$ 1,508,850
Government commodities - donated	959,703	1,634,563
Donated inventory	878,886	503,944
Inventory reserve	<u>(100,000)</u>	<u>(100,000)</u>
	<u>\$ 3,392,816</u>	<u>\$ 3,547,357</u>

NOTE 9 - FIXED ASSETS

Fixed assets at June 30 are summarized as follows:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 27,160,594	\$ 26,840,029
Motor vehicles	1,143,769	1,305,679
Finance lease right-of-use motor vehicles	983,178	983,178
Warehouse equipment	1,581,878	1,329,792
Office equipment	5,560,084	5,351,880
Finance lease right-of-use office equipment	141,413	164,007
	<u>36,570,916</u>	<u>35,974,565</u>
Less - Accumulated depreciation and amortization	13,271,066	11,641,707
	<u>23,299,850</u>	<u>24,332,858</u>
Construction-in-progress	142,396	14,916
	<u>\$ 23,442,246</u>	<u>\$ 24,347,774</u>

In a prior year, the Food Bank adopted ASU 2016-02, Leases (Topic 842), which provides practical expedients for an entity's ongoing accounting. The Food Bank has elected the short-term lease recognition exemption for motor vehicle and office equipment leases. This means, for those leases that qualify, the Food Bank will not recognize right-of-use assets or lease liabilities. The Food Bank has elected the practical expedient to not separate lease and non-lease components for leases of motor vehicles and office equipment.

Finance lease costs for the years ended June 30, 2025 and 2024 are comprised of amortization of the right-of-use assets (motor vehicles and office equipment) of approximately \$98,000 and \$174,000, respectively, and interest on the lease liability of approximately \$4,000 and \$6,000, respectively. The weighted-average remaining lease term for the Food Bank's finance leases was 4.84 and 0.70 years as of June 30, 2025 and 2024, respectively. The weighted-average discount rate is 2.72% and 2.33% as of June 30, 2025 and 2024, respectively.

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 9 - FIXED ASSETS (Continued)

The approximate aggregate amounts due under finance leases due subsequent to June 30, 2025 are as follows:

Year Ending June 30	Total
2026	\$ 43,000
2027	43,000
2028	43,000
2029	43,000
2030 and thereafter	51,000
	<u>223,000</u>
Less: Amounts representing interest	<u>(22,000)</u>
Total lease liability	<u>\$ 201,000</u>

NOTE 10 - NET ASSETS AND RELEASE OF RESTRICTED ASSETS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors and grantors for the year ended June 30, 2025 are as follows:

Subject to expenditure for specified purpose:

Grants and programs:

Distribution of government commodities	\$ 13,288,501
Governmental support	9,680,281
Non-governmental support	5,523,884
	<u>\$ 28,492,666</u>

The Food Bank has recorded net assets based on use restrictions imposed by donors and grantors. These funds have originated from past and present grants and programs for the purpose of providing long-term and short-term stability of the organization. Net assets with donor restrictions are comprised of grant, program and state grant funds for which the organization has not yet met the donor or grantor-imposed restriction.

NOTE 11 - RETIREMENT PLAN

The Food Bank has a defined contribution (money purchase) plan under Section 403(b) of the IRC covering eligible employees. Participants may contribute up to 100% of their pretax eligible compensation, subject to certain limitations under the IRC. In addition, discretionary plan contributions are made on behalf of eligible employees as a percentage of the participants' eligible salary. Employer contributions related to the discretionary plan contribution, which were approved by the Board, approximated \$297,000 and \$269,000 for the years ended June 30, 2025 and 2024, respectively, and were distributed to employees during fiscal years 2026 and 2025.

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 - RETIREMENT PLAN (Continued)

The plan also includes a discretionary matching component and included a match of 3% of eligible wages for both 2025 and 2024. Employer contributions related to the discretionary matching component approximated \$290,000 and \$269,000 for the years ended June 30, 2025 and 2024, respectively.

NOTE 12 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based primarily on an analysis of personnel time on the related activities and square footage of the building. All other expenses are allocated based on actual usage.

NOTE 13 - FAIR VALUE MEASUREMENT

The Food Bank discloses the category of assets and liabilities measured at fair value into three different levels, depending on the assumptions (i.e., inputs) used in the valuation. Level 1 provides the most reliable measure of fair value, while Level 3 generally requires significant management judgment. Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement.

The fair value hierarchy is defined as follows:

Level 1 - Valuations are based on unadjusted quoted prices in an active market for identical assets or liabilities.

Level 2 - Valuations are based on quoted prices for similar assets or liabilities in active markets or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.

Level 3 - Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect the administration's best estimate of what market participants would use in valuing the asset or liability at the measurement date.

The Food Bank deems that the carrying amount of cash and cash equivalents, certificates of deposits, receivables, prepaid expenses, accounts payable, accrued liabilities and refundable advances approximate their fair value due to the short-term nature of these assets and liabilities.

A description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis is as follows:

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 13 - FAIR VALUE MEASUREMENT (Continued)

Municipal, corporate and treasury bonds - Fair values are valued using pricing models maximizing the use of observable inputs for similar securities as provided by a third party. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar instruments, municipal and corporate bond instruments are valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable such as credit and liquidity risks or a broker quote if available. Management has classified its investment in municipal, corporate and treasury bonds as a Level 2 investment within the fair value hierarchy. (See Note 7.)

Common stocks - Valued at the closing price reported on the active market on which the individual securities are traded. (See Note 7.)

Mortgage pools - Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. Management has classified its investment in mortgage pools as a Level 2 investment within the fair value hierarchy. (See Note 7.)

The preceding methods might produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Further, although the Food Bank believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. When available, the Food Bank measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. There were no transfers between fair value hierarchy levels in 2025 or 2024.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

The Food Bank's financial and program records are subject to audit by appropriate government authorities in accordance with the terms of the various grant awards and contracts. The government authorities are authorized to review expenditures and to make adjustments. Any normal recurring changes arising from audit after the close of the fiscal year are reflected in subsequent years.

The Food Bank is subject to certain legal proceedings and claims relating to matters arising in the ordinary course of its operations. In accordance with FASB ASC 450, Contingencies, a reserve for estimated losses is recorded when the amount is probable and can be reasonably estimated. The Food Bank believes that the ultimate outcome of any matter currently pending against the Food Bank will not materially affect the consolidated financial position or cash flows of the Food Bank.

NOTE 15 - LINE OF CREDIT

In June 2023, the Food Bank amended its previous line-of-credit agreement with a bank, increasing maximum borrowings available from \$2,000,000 to \$3,000,000. The agreement is collateralized by certain assets of the Food Bank, bears interest at the Daily Secured Overnight Financing Rate (4.45% at June 30, 2025) plus 1.25%, maturing in April 2026. There were no outstanding borrowings at June 30, 2025 and 2024.

REPORTING UNDER *GOVERNMENT AUDITING STANDARDS* AND UNIFORM GUIDANCE FINANCIAL
INFORMATION AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

The Board of Directors
Greater Pittsburgh Community Food Bank
Duquesne, Pennsylvania

We have audited, 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, the consolidated financial statements of the Greater Pittsburgh Community Food Bank (Food Bank) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 11, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Food Bank's 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Food Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of the Food Bank's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Food Bank's 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 consolidated financial statements. 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 Food Bank'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 Food Bank's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Schneider Downs & Co, Inc." The signature is written in a cursive, flowing style.

Pittsburgh, Pennsylvania
December 11, 2025

GREATER PITTSBURGH COMMUNITY FOOD BANK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal/Pass-Through Grantor Program or Cluster Title	Contract and Pass- through Entity Identifying Number	Federal Assistance Listing Number	Amount Expended
Food Distribution Cluster:			
United States Department of Agriculture (USDA) Programs:			
Pass-Through Pennsylvania Department of Agriculture:			
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	\$ 8,171,785
Pass-Through Lawrence County:			
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	102,284
Pass-Through Hunger-Free Pennsylvania:			
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	2,325,176
Pass-Through Allegheny County:			
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	1,138,870
Pass-Through Butler County:			
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	228,333
Pass-Through Washington County:			
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	<u>184,278</u>
			12,150,726
Pass-Through Lawrence County:			
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	16,078
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	10,288
Pass-Through Washington County:			
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	25,986
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	18,148
Pass-Through Hunger-Free Pennsylvania:			
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	49,744
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	480,182
Pass-Through Butler County:			
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	27,544
Pass-Through Allegheny County:			
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	157,303
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	<u>88,770</u>
			<u>874,043</u>
Total Food Distribution Cluster			13,024,769
Pass-Through Feeding Pennsylvania:			
Local Food Purchase Assistance	N/A	10.182	1,650,918
Pass-Through Pennsylvania Department of Agriculture:			
The Emergency Food Assistance Program (TEFAP)			
Commodity Credit Corporation Eligible Recipient Funds	N/A	10.187	<u>263,732</u>
Total USDA Programs			14,939,419
Other Federal Financial Assistance:			
Community Development Block Grants (CDBG) Cluster Entitlements/Special Purpose:			
United States Department of Housing and Urban Development Programs:			
Pass-Through City of Pittsburgh:			
CDBG/Entitlement Grants	54793	14.218	<u>50,339</u>
Subtotal			14,989,758

The accompanying notes are an integral part of this schedule.

GREATER PITTSBURGH COMMUNITY FOOD BANK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(Continued)

Federal/Pass-Through Grantor Program or Cluster Title	Contract and Pass- through Entity Identifying Number	Federal Assistance Listing Number	Amount Expended
Balance forward			\$ 14,989,758
United States Department of Homeland Security:			
Pass-Through Allegheny County:			
Emergency Food and Shelter National Board Program	Phase 41	97.024	117,269
Pass-Through Washington County:			
Emergency Food and Shelter National Board Program	Phase 41	97.024	<u>4,252</u>
			121,521
Pass-Through Pennsylvania Department of Human Services			
State Administration Matching Grants for the Supplemental			
Nutrition Assistance Program	4100097130	10.561	43,628
State Administration Matching Grants for the Supplemental			
Nutrition Assistance Program	4100097130	10.561	<u>143,517</u>
			187,145
Pass-Through Pennsylvania Department of Education			
Child and Adult Care Food Program	300-02-005-8	10.558	427,148
Summer Food Service Program for Children	300-02-005-8	10.559	<u>488,050</u>
			915,198
United States Department of Treasury:			
Pass-Through Pennsylvania Department of Community and Economic			
Development Coronavirus State and Local Fiscal Recovery Funds	C000082059	21.027	472,748
Pass-Through City of Pittsburgh (ARPA)			
American Rescue Plan	55107	21.027	<u>154,340</u>
			627,088
Center for Disease Control			
Pass-Through Allegheny County:			
Racial and Ethnic Approaches to Community Health	290003	93.304	12,500
Racial and Ethnic Approaches to Community Health	290003	93.304	<u>37,500</u>
			50,000
Total Other Federal Financial Assistance			<u>1,951,291</u>
Total Expenditures of Federal Awards			<u>\$ 16,890,710</u>

The accompanying notes are an integral part of this schedule.

GREATER PITTSBURGH COMMUNITY FOOD BANK

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Greater Pittsburgh Community Food Bank (Food Bank) 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 the Food Bank, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Food Bank.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 - INDIRECT COST RATE

The Food Bank has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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

The Board of Directors
Greater Pittsburgh Community Food Bank
Duquesne, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Greater Pittsburgh Community Food Bank’s (Food Bank) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Food Bank’s major federal programs for the year ended June 30, 2025. The Food Bank’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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

Auditor's Responsibilities 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 the Food Bank's 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 the Food Bank's 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 the Food Bank's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Food Bank's 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 the Food Bank's 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.

Schneider Downs & Co, Inc.

Pittsburgh, Pennsylvania
February 11, 2026

GREATER PITTSBURGH COMMUNITY FOOD BANK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of report the auditor issued on whether the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? _____ Yes X no

Significant deficiency(ies) identified? _____ Yes X none reported

Noncompliance material to financial statements notes _____ Yes X no

Federal Awards:

Internal control over major programs:
Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major federal programs:
Assistance Listing Numbers
10.569/10.568

Name of Federal Program or Cluster
Food Distribution Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ X yes _____ no

GREATER PITTSBURGH COMMUNITY FOOD BANK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, grant agreements and abuse related to the financial statements for which *Government Auditing Standards* require reporting.

There were no findings noted in the current year that are required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by 2 CFR 200.516(a) (significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs and material abuse).

There were no findings noted in the current or prior year that are required to be reported in accordance with 2 CFR 200.516(a).

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