

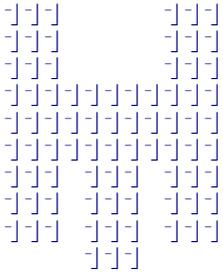
**PALM BEACH COUNTY
FOOD BANK, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2025
(with comparable totals for 2024)**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6-7
Statement of Functional Expenses	8
NOTES TO FINANCIAL STATEMENTS	9-19
INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	22-24
Schedule of Findings and Questioned Costs	25-26
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	27
Notes to Schedule of Expenditures of Federal Awards	28
Schedule of Financial Assistance	29



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Palm Beach County Food Bank, Inc.
Lake Worth Beach, Florida

Opinion

We have audited the accompanying financial statements of Palm Beach County Food Bank, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Palm Beach County Food Bank, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Financial Statements section of our report. We are required to be independent of Palm Beach County Food Bank, Inc. 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Palm Beach County Food Bank, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Palm Beach County Food Bank, Inc.'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2026, on our consideration of Palm Beach County Food Bank, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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 Palm Beach County Food Bank, Inc.'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 Palm Beach County Food Bank, Inc.'s internal control over financial reporting and compliance.

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 purposes of additional analysis and is not a required part of the financial statements. In addition, the schedule of financial assistance is presented for purpose of additional analysis and is also 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 and schedule of financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Palm Beach County Food Bank, Inc.'s 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 21, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 23, 2026

PALM BEACH COUNTY FOOD BANK, INC.

STATEMENT OF FINANCIAL POSITION

As of June 30, 2025

(with comparable totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 448,089	\$ -	\$ 448,089	\$ 896,595
Investments	5,145,474	4,064,024	9,209,498	6,778,554
Accounts receivable	434,127	-	434,127	480
Grants receivable	338,480	-	338,480	624,542
Pledges receivable, current portion	-	82,500	82,500	207,503
Food inventory	871,637	-	871,637	1,840,636
Prepaid expenses	91,369	-	91,369	101,055
Total current assets	7,329,176	4,146,524	11,475,700	10,449,365
Pledges receivable	-	72,500	72,500	155,000
Security deposits	22,842	-	22,842	22,842
Beneficial interest in assets held by Community Foundation	538,084	-	538,084	249,754
Property and equipment, net	12,546,032	-	12,546,032	12,745,871
Right-of-use assets:				
Operating leases, net	7,271,777	-	7,271,777	7,564,996
Finance leases, net	45,803	-	45,803	111,323
Total assets	\$ 27,753,714	\$ 4,219,024	\$ 31,972,738	\$ 31,299,151
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 259,175	\$ -	\$ 259,175	\$ 462,400
Accrued expenses	201,275	-	201,275	126,935
Lease obligations, current portion				
Operating leases	195,504	-	195,504	182,273
Finance leases	49,043	-	49,043	52,981
Total current liabilities	704,997	-	704,997	824,589
Lease obligations:				
Operating leases	7,792,649	-	7,792,649	7,969,766
Finance leases	81,361	-	81,361	130,404
Total liabilities	8,579,007	-	8,579,007	8,924,759
Net assets:				
Without donor restrictions	19,174,707	-	19,174,707	18,444,297
With donor restrictions	-	4,219,024	4,219,024	3,930,095
Total net assets	19,174,707	4,219,024	23,393,731	22,374,392
Total liabilities and net assets	\$ 27,753,714	\$ 4,219,024	\$ 31,972,738	\$ 31,299,151

See accompanying notes to financial statements.

*For the Year Ended June 30, 2025**(with comparable totals for 2024)*

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
Support and revenues:				
Governmental support	\$ 1,711,334	\$ -	\$ 1,711,334	\$ 1,448,817
Foundation support	4,022,594	2,321,038	6,343,632	3,779,896
United Way allocation	486,239	-	486,239	4,029,461
Other contributions	2,349,559	22,103	2,371,662	2,312,308
Donated goods	23,251,336	-	23,251,336	27,139,823
Kitchen program	276,356	-	276,356	-
Special event income	120,274	-	120,274	203,095
Interest and dividend income	392,962	-	392,962	411,124
Net realized and unrealized gain (loss) on investments	(37,054)	-	(37,054)	2,469
Change in value of assets held by Community Foundation	38,330	-	38,330	(246)
Total support and revenues	32,611,930	2,343,141	34,955,071	39,326,747
Net assets released from restrictions	2,054,212	(2,054,212)	-	-
	<u>34,666,142</u>	<u>288,929</u>	<u>34,955,071</u>	<u>39,326,747</u>
Expenses:				
Program services	32,543,388	-	32,543,388	32,861,852
Supporting services:				
Management and general	465,429	-	465,429	417,897
Fundraising	926,915	-	926,915	878,697
Total expenses	33,935,732	-	33,935,732	34,158,446
Change in net assets	730,410	288,929	1,019,339	5,168,301
Net assets, beginning of year	18,444,297	3,930,095	22,374,392	17,206,091
Net assets, end of year	<u>\$ 19,174,707</u>	<u>\$ 4,219,024</u>	<u>\$ 23,393,731</u>	<u>\$ 22,374,392</u>

See accompanying notes to financial statements.

*For the Year Ended June 30, 2025**(with comparable totals for 2024)*

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from:		
Governmental support	\$ 1,953,902	\$ 1,513,318
Private gifts and grants	6,123,272	11,591,036
Kitchen program	125,165	-
Special events	120,274	203,095
Cash paid to vendors and employees	(8,533,776)	(6,387,500)
Cash paid on operating leases	(507,239)	(491,825)
Interest and dividend income	392,962	411,124
Interest expense paid	(11,418)	(15,336)
Net cash provided by (used in) operating activities	<u>(336,858)</u>	<u>6,823,912</u>
Cash flows from investing activities:		
Proceeds from sale of donated stocks	3,240,500	-
Proceeds from sale of investments	450,000	6,574,618
Purchase of investments	(2,892,961)	(6,783,142)
Contributions to assets held by Community Foundation	(250,000)	(250,000)
Purchase of property and equipment	(666,206)	(6,797,307)
Net cash used in investing activities	<u>(118,667)</u>	<u>(7,255,831)</u>
Cash flows from financing activities:		
Proceeds from contributions restricted for capital campaign	60,000	60,000
Principal payments on finance lease obligations	(52,981)	(61,450)
Net cash provided by (used in) financing activities	<u>7,019</u>	<u>(1,450)</u>
Net change in cash	(448,506)	(433,369)
Cash and cash equivalents, beginning of year	<u>896,595</u>	<u>1,329,964</u>
Cash and cash equivalents, end of year	<u>\$ 448,089</u>	<u>\$ 896,595</u>

See accompanying notes to financial statements.

PALM BEACH COUNTY FOOD BANK, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

(with comparable totals for 2024)

	2025	2024
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 1,019,339	\$ 5,168,301
Adjustments to reconcile change in net cash to net cash provided by (used in) operating activities:		
Depreciation	1,003,065	437,915
Net realized and unrealized (gain) loss on investments	37,054	(2,469)
Donated property and equipment	(71,500)	-
Donated stocks	(3,265,537)	-
Change in value of assets held by Community Foundation	(38,330)	246
(Increase) decrease in certain assets:		
Accounts receivable	(433,647)	(480)
Grants receivable	286,062	1,486,852
Pledges receivable	147,503	47,500
Food inventory	968,999	(925,508)
Prepaid expenses	9,686	142,142
Operating right-of-use assets	312,784	304,405
Increase (decrease) in certain liabilities:		
Accounts payable	(203,225)	320,724
Accrued expenses	74,340	5,215
Operating lease obligations	(183,451)	(160,931)
Net cash provided by (used in) operating activities	\$ (336,858)	\$ 6,823,912

Supplemental cash flow information:

During 2025, the Food Bank incurred debt of \$24,925 in the form of operating leases for the right-of-use of office equipment.

See accompanying notes to financial statements.

*For the Year Ended June 30, 2025**(with comparable totals for 2024)*

	Program Services	Supporting Activities		2025 Totals	2024 Totals
		Management and General	Fundraising		
Salaries	\$ 1,926,306	\$ 193,451	\$ 243,262	\$ 2,363,019	\$ 1,904,526
Payroll taxes	146,019	14,653	18,426	179,098	146,663
Employee benefits	322,222	32,334	40,660	395,216	374,927
 Total salaries and related benefits	 2,394,547	 240,438	 302,348	 2,937,333	 2,426,116
Bank card processing charges	23,735	2,382	2,995	29,112	28,409
Conference, meals, and training	19,895	1,996	2,511	24,402	28,047
Contract services	1,508	-	-	1,508	7,555
Depreciation expense	857,542	77,937	67,586	1,003,065	437,915
Direct mail campaign	-	-	179,458	179,458	252,573
Dues and subscriptions	17,151	1,721	2,164	21,036	19,653
Freight loads	588,677	-	-	588,677	847,499
Fundraising and public relations	-	-	227,198	227,198	190,670
Insurance	246,204	15,971	19,039	281,214	207,585
Interest expense	9,762	887	769	11,418	15,336
Kitchen operations	152,934	-	-	152,934	24,113
Lease expense	567,403	37,034	32,135	636,572	635,299
Lobbying expense	72,900	4,050	4,050	81,000	102,000
Occupancy expenses	499,731	45,418	39,386	584,535	473,748
Office expenses	75,978	7,624	9,587	93,189	54,105
Payroll processing charges	14,514	1,456	1,831	17,801	33,904
Professional fees and contracts	130,270	13,072	16,438	159,780	138,022
Purchased food distributed	2,265,081	-	-	2,265,081	1,575,792
Technology expenses	110,213	11,059	13,907	135,179	134,474
Telephone, fax, and internet	29,734	2,984	3,752	36,470	33,710
Travel expenses	13,953	1,400	1,761	17,114	11,172
Truck and fuel costs	105,041	-	-	105,041	112,057
Warehouse operating expenses	109,791	-	-	109,791	200,718
 Total expenses before donated goods	 8,306,564	 465,429	 926,915	 9,698,908	 7,990,472
Donated goods distributed	24,236,824	-	-	24,236,824	26,167,974
 Total expenses	 <u>\$ 32,543,388</u>	 <u>\$ 465,429</u>	 <u>\$ 926,915</u>	 <u>\$ 33,935,732</u>	 <u>\$ 34,158,446</u>

See accompanying notes to financial statements.

For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies***Organization and Nature of Activities***

The Palm Beach County Food Bank, Inc. (the "Food Bank") was established in 2012. The Food Bank collects, recovers, purchases, and distributes food to food pantries, soup kitchens, shelters, schools, and other non-profit organizations in Palm Beach County. The Food Bank is a locally led and governed food bank in Palm Beach County that distributes food to partner agencies at no cost. Serving one of the largest counties in Florida from Tequesta to Boca Raton, Belle Glade, and Pahokee to the Coast, the Food Bank successfully operates six programs:

Partner Marketplace distributes food to partner agencies on the front line of hunger relief. Food Bank's refrigerated trucks pick up and receive food donations from local farmers, distributors, and retailers. The food is brought to the Food Bank's refrigerated warehouse and sorted by volunteers.

Childhood Hunger Initiatives (CHI) Weekend Food for Kids, Lois' Food4Kids, and School Pantries – provide school-age children who are on free/reduced-price lunch and their families with nutritious, easy-to-prepare food for the weekends. CHI gives families the opportunity to supplement their food budgets and complements meals provided by schools during the school week by providing an additional food resource.

Senior Hunger Initiatives delivers healthy food and educational resources to underserved populations, including food deserts and low-income seniors. Every two weeks, the program distributes fresh produce, shelf-stable groceries, and recipe cards through partnerships with local organizations and direct community engagement. Its mission is to improve food security and promote healthier eating habits by making nutritious options accessible to those who need them most.

Community Kitchen Program prepares and delivers nutritious hot meals, cold meals, and snacks for children and seniors from the Food Bank's commercial kitchen, which has the capacity to produce thousands of meals each day, the Food Bank serves after-school and summer programs as well as senior services to ensure consistent access to wholesome food when other options are limited. Through year-round partnerships with schools, community organizations, and senior programs, the Community Kitchen helps close the hunger gap and supports the well-being of our community.

Workforce Development Culinary Training course is designed to prepare participants for entry-level positions in the food service industry. The training program builds culinary job readiness and practical life skills. The course is offered at no cost to students.

The *Benefits Outreach Program* assists individuals and families with applying for the Supplemental Nutrition Assistance Program (SNAP), Medicaid, and Cash Assistance free of charge. Food Bank is one of only four organizations in Florida that provides the Department of Children & Families required federal food relief interview. The interview is conducted during a meeting with one of the Food Bank's benefits specialists, who speaks English, Spanish, and Haitian Creole.

Basis of Accounting

The accompanying financial statements of the Food Bank have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies, continued

Financial Statements Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth under FASB Accounting Standards Codification (FASB ASC) 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*. Accordingly, the net assets of the Food Bank are reported in each of the following classes:

Net assets without donor restrictions: are those currently available for use in the current operations of the Food Bank under the direction of the Board of Directors.

Net assets with donor restrictions: are those subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Estimates

Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Food Bank considers its cash and cash equivalents to include cash on hand, cash in checking accounts, and certain savings accounts. The Food Bank considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, except for such similar investments that are held and remain classified within the investment portfolio.

Investments

Investments of the Food Bank are stated at fair value based on quoted prices on a national stock exchange, with the resulting realized and change in unrealized gains and losses included in the statement of activities. Investments as of June 30, 2025 consisted primarily of money market and U.S. Treasury funds.

Accounts, Grants, and Pledges Receivable

Accounts receivable consists of amounts due to Food Bank for services provided as part of the Kitchen program, reimbursements from insurance companies, and other agencies.

Food Bank's receivables from the Kitchen program are due from high-credit-quality customers and are typically collected within 180 days. Food Bank evaluates the collectibility of its receivables in accordance with FASB ASC 326, *Financial Instruments – Credit Losses*. The evaluation includes a review of historical loss experience, the aging of receivables, customer creditworthiness, and current and forecasted economic conditions.

For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies, continued*Accounts, Grants, and Pledges Receivable, continued*

Based on this assessment, Food Bank has concluded that the risk of credit loss is insignificant, and no allowance for credit losses is necessary as of June 30, 2025. Historically, Food Bank has not experienced significant write-offs and expects all outstanding receivables to be fully collected. Food Bank continues to monitor credit risk and may adjust its estimates and recognition of credit losses in future periods if conditions change.

Food Bank receives various grants from federal, state, local and private agencies for program and supporting service expenses. These grants are generally on a cost reimbursement basis, including recoverable overhead. Revenues from grants are recorded when services have been rendered and the granting authority has been billed. If events or changes in circumstances indicate that specific receivable balances may be disallowed by the granting authority, the receivable balances are written-off as an operating expense.

Pledges receivable consist of unconditional promises to give and are recognized as support in the period received. If outstanding contributions are expected to be collected in less than one year, they are recorded at the estimated amount to be ultimately realized. If outstanding contributions are to be paid to the Food Bank over a period of years, they are recorded at the present value of their estimated cash flows using an appropriate discount rate. Contributions receivable in the amount of \$72,500 were due beyond one year as of June 30, 2025. No discount was recorded for receivables due in more than one year as the amount of such discount was considered immaterial.

Food Inventory

Food inventory consists of food and other grocery products that are valued at lower of cost or market if purchased, and at estimated fair value if donated. The estimated fair value used during the year was \$1.97 per pound, which is the average wholesale value as determined by a national network of food banks. As of June 30, 2025, food inventory consisted of approximately \$88,100 of purchased food (203,700 pounds) and \$783,600 of donated food (397,750 pounds). In addition to a periodic change in price per pound, the ending balance of food inventory may fluctuate due to the timing of significant food donations, year-end demand, and related distribution factors.

Prepaid Expenses

The Food Banks's prepaid expenses include advance payments for subscriptions, insurance, and deposits.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of the donation. Donations of property and equipment are recorded as support unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Food Bank reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies, continued*Property and Equipment, continued*

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 20 years. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the useful lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Support and Revenues

In accordance with FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, contributions received, including unconditional promises, are recognized as support when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or with restrictions by the donor for specific purposes are reported as support with donor restrictions that increase that net asset class. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Program service fees are recognized as revenue in the period in which the related services commence.

Donated Goods and Services

Donated goods and services are recognized as contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*. The Food Bank reports the fair value of contributed food inventory over which it has control (i.e., variance power) as public support without donor restrictions and, shortly thereafter, as expense when granted to member food banks. During the year ended June 30, 2025, the Food Bank received approximately 11,766,000 pounds of donated goods from approximately 54 donors and their subsidiaries. Contributed food inventory is reported as donated goods in the statement of activities, and as an expense under the caption donated goods distributed in the statement of functional expenses.

Donated Goods and Services, continued

Donated services are recognized if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. These services are recognized in the financial statements at their estimated fair market value as gifts in-kind income and expense in the period rendered. There were no significant contributions of donated services for the year ended June 30, 2025.

Many volunteers provide services throughout the year that are not recognized as contributions in the financial statements, because the recognition criteria under FASB ASC 958-605 were not met. It is impracticable to determine the fair market value of all donated services by the volunteers of the Food Bank beyond those required to be recognized as income. However, a substantial number of volunteers donate significant amounts of their time to the Food Bank's program services and fundraising campaigns.

For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies, continued***Functional Allocation of Expenses***

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expense of those functional areas. Indirect costs that are not directly associated with providing specific services are allocated based upon the relative time spent by employees of the Food Bank providing those services.

Advertising

Advertising costs are expensed when incurred and are included within fundraising and public relations in the statement of functional expenses. The Food Bank incurred \$44,545 of advertising costs during the year ended June 30, 2025.

Lobbying Expenses

The Food Bank engages a lobbyist to assist them in securing food contracts for the community, creating introductions and collaborative arrangements with other food agencies, and promoting the mission and programs offered by the Food Bank. There are no expenditures related to political elections or candidates.

Income Taxes

The Food Bank is a not-for-profit corporation that is exempt from income taxes under the Internal Revenue Code Section 501(c)(3) and comparable state law as a charitable organization, whereby only unrelated business income, as defined by the Code Section 509(a)(1) is subject to federal income tax. The Food Bank currently has no unrelated business income and, accordingly, no provision for income taxes has been recorded.

The Food Bank follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a more-likely-than-not threshold. The Food Bank assesses its income tax positions based on management's evaluation of the facts, circumstances, and information available at the reporting date. The Food Bank uses the prescribed more-likely-than-not threshold when making its assessment. There are currently no open federal or state income tax years under audit.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Food Bank's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

For the Year Ended June 30, 2025

2. Liquidity and Availability of Resources

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

Cash and cash equivalents	\$ 448,089
Investments	9,209,498
Accounts receivable	434,127
Grants receivable	338,480
Pledges receivable	<u>82,500</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 10,512,694</u>

The Food Bank is substantially supported by contributions without donor and with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Food Bank must maintain sufficient resources to meet those responsibilities to its donors.

Some of the Food Bank's net assets with donor restrictions are available for general expenditure within one year of June 30, 2025, because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Food Bank in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

3. Fair Value Measurement

The Food Bank follows FASB ASC 820-10, *Fair Value Measurements and Disclosures*, which provides a common definition of fair value, establishes a framework to measure fair value within accounting principles generally accepted in the United States of America, and expands the disclosures about fair value measurements. The standard does not create any new fair value measurements. Instead, it applies under existing accounting pronouncements that require or permit fair value measurements.

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs.

Fair Value of Financial Instruments: The following methods and assumptions were used by the Food Bank in estimating fair value of financial instruments that are not disclosed under ASC 820-10.

Cash and Cash Equivalents: The carrying amount reported approximates fair value.

Accounts, Grants, and Pledges Receivable: The carrying amount approximates fair value due to the short-term repayment of the receivables.

Accounts Payable and Accrued Expenses: The carrying amount reported approximates fair value due to the short-term duration of the instruments.

Lease Obligations: The carrying amount reported approximates fair value as the stated interest rates approximate market rates.

For the Year Ended June 30, 2025

3. Fair Value Measurement, continued

Items Measured at Fair Value on a Recurring Basis: The following valuation methodologies are used for assets measured at fair value on a recurring basis.

Investments – Valued at quoted market price of securities by the custodian as of the close of business as of June 30, 2025.

Beneficial interest in assets held by Community Foundation: Valued based on the Food Bank’s proportionate share of the value of the underlying pooled investments reported by the Community Foundation.

The following table sets forth by level, within the fair value hierarchy, the Food Bank’s assets at fair value as of June 30, 2025:

	<u>Assets at Fair Value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and cash equivalents	\$ 1,875,922	\$ -	\$ -	\$ 1,875,922
Fixed income securities	7,262,093	-	-	7,262,093
Accrued income	<u>71,483</u>	<u>-</u>	<u>-</u>	<u>71,483</u>
Total investments	9,209,498	-	-	9,209,498
Beneficial interest in assets held by Community Foundation	<u>-</u>	<u>-</u>	<u>538,084</u>	<u>538,084</u>
Total assets, at fair value	<u>\$ 9,209,498</u>	<u>\$ -</u>	<u>\$ 538,084</u>	<u>\$ 9,747,582</u>

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Food Bank’s beneficial interest in assets held by Community Foundation for the year ended June 30, 2025.

Balance, beginning of year	\$ 249,754
Issuances/contributions	250,000
Settlements/collections	-
Change in value	<u>38,330</u>
Balance, end of year	<u>\$ 538,084</u>

4. Beneficial Interest in Assets Held by Community Foundation

On June 11, 2024, the Food Bank entered into an irrevocable nonprofit investment fund agreement with the Community Foundation for Palm Beach and Martin Counties (the “Community Foundation”) to establish an agency fund for its benefit. In accordance with the agreement, the Food Bank transferred assets to the Community Foundation, which maintains legal ownership and full control over the investment, management, and administration of the fund, including the authority to redirect the use of the assets (variance power) if the Food Bank ceases to exist or is no longer a qualified charitable organization. Although the Community Foundation retains legal title and variance power, the Food Bank is the named beneficiary of the fund and is entitled to request distributions of up to 100% of the fund balance. Based on these rights, the Food Bank recognizes a beneficial interest in the assets held by the Community Foundation.

For the Year Ended June 30, 2025**4. Beneficial Interest in Assets Held by Community Foundation, continued**

The beneficial interest in assets held by Community Foundation is reported at fair value in the accompanying statement of financial position and is classified within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs, including assumptions about the timing and amount of future distributions and investment performance. As of June 30, 2025, the fair value of the beneficial interest was \$538,084. Changes in fair value are recognized as changes in net assets without donor restrictions in the statement of activities.

5. Property and Equipment

Property and equipment as of June 30, 2025 consisted of the following:

Furniture and equipment	\$ 310,080
Leasehold improvements	12,629,214
Motor vehicles	1,493,534
Kitchen equipment	45,091
Warehouse equipment	<u>307,947</u>
	14,785,866
Less accumulated depreciation	<u>2,239,834</u>
Total property and equipment	<u>\$ 12,546,032</u>

Depreciation expense for the year ended June 30, 2025, was \$937,545.

6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of June 30, 2025, consisted of vendor payments due for general expenses and accrued salaries and vacation time.

7. Leases***Operating Leases***

The Food Bank leases its office, warehouse, and kitchen and processing space in Lake Worth Beach, Florida, under non-cancelable lease arrangements that extend through January 31, 2033, including one ten-year renewal option. The leases require minimum rentals of \$40,581 per month, with annual increases of 2.75%, plus proportional common area maintenance costs. The Food Bank also leases various equipment under non-cancelable lease arrangements that expire at different dates through December 2026.

Operating right-of-use assets as of June 30, 2025, consisted of the following:

Office and warehouse space	\$ 4,049,716
Kitchen and processing space	4,028,791
Equipment	<u>82,185</u>
	8,160,692
Less accumulated amortization	<u>888,915</u>
Net operating right-of-use assets	<u>\$ 7,271,777</u>

For the Year Ended June 30, 2025**7. Leases, continued***Operating Leases, continued*

Operating lease obligations as of June 30, 2025, consisted of the following:

Office and warehouse space	\$ 4,027,975
Kitchen and processing space	3,927,348
Equipment	<u>32,830</u>
	7,988,153
Less current portion	<u>195,504</u>
Non-current portion	<u>\$ 7,792,649</u>

Undiscounted future lease payments under operating leases as of June 30, 2025, for each of the next five years and in the aggregate are:

2026	\$ 512,109
2027	514,832
2028	528,825
2029	543,933
2030	555,390
Thereafter	<u>8,838,532</u>
	11,493,621
Less discount to present value	<u>3,505,468</u>
Present value of future lease payments	7,988,153
Less current portion	<u>195,504</u>
Non-current portion	<u>\$ 7,792,649</u>

Operating lease expense for the year ended June 30, 2025, consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Office and warehouse space	\$ 144,823	\$ 162,818	\$ 307,641
Kitchen and processing space	144,269	158,923	303,192
Equipment	<u>22,945</u>	<u>2,794</u>	<u>25,739</u>
	<u>\$ 312,037</u>	<u>\$ 324,535</u>	<u>\$ 636,572</u>

Discounts have been calculated using interest rates of 4% for the office, warehouse, and kitchen and processing space, and 6.50% for the equipment. These interest rates approximate the incremental borrowing rates of the Food Bank for the acquisition of the related assets at the time the leases were signed. The weighted average lease term for the operating leases is 17.52 years. The weighted average discount rate for the operating leases is 4.01%.

For the Year Ended June 30, 2025

7. Leases, continued

Finance Leases

The Food Bank also leases motor vehicles and forklifts under finance leases that expire at different dates through February 2028. The assets and liabilities under the finance leases were recorded at the lower of the present value of minimum lease payments or the fair value of the asset. The assets are amortized over the shorter of the lease terms or the estimated useful lives of the assets. Amortization of motor vehicles and forklifts under finance leases are included in depreciation expense in the accompanying financial statements. Depreciation of assets under finance leases charged to expense during the year ended June 30, 2025 was \$65,520. Minimum future lease payments under finance leases as of June 30, 2025 for each of the next three years are:

2026	\$ 56,829
2027	55,161
2028	<u>31,216</u>
Total minimum lease payments	143,206
Less amount representing interest	<u>12,802</u>
Present value of future minimum lease payments	130,404
Less current portion	<u>49,043</u>
Non-current portion	<u>\$ 81,361</u>

8. Net Assets with Donor Restrictions

Unexpended net assets with donor restrictions as of June 30, 2025 were restricted for the following purposes or periods:

Subject to expenditures for a specific purpose:	
Capital purchases	\$ 23,877
Childhood Hunger Initiatives	3,215,570
Kitchen program	533,338
Pop Up Pantry	<u>291,239</u>
	4,064,024
Subject to the passage of time:	
Pledges receivable	<u>155,000</u>
Total net assets with donor restrictions	<u>\$ 4,219,024</u>

9. Employee Benefit Plan

The Food Bank sponsors a tax-deferred 403(b) retirement plan for the benefit of its eligible employees. Employees may make voluntary salary deferrals to the plan, subject to limits established by the Internal Revenue Code. The Food Bank provides a matching contribution of up to 4% of eligible employee compensation, based on the amount of employee deferrals. Matching contributions totaled approximately \$34,500 for the year ended June 30, 2025.

For the Year Ended June 30, 2025

10. Concentration of Credit Risk

Financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents, accounts, grants, and pledges receivable, and investments.

The Food Bank maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Food Bank has not experienced any loss on its accounts and management believes the Food Bank is not exposed to any significant credit risk arising from such balances. As of June 30, 2025, the cash balances exceeded the FDIC insurance limit by approximately \$75,800.

The Food Bank maintains its investments in the brokerage accounts that are guaranteed by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including up to \$250,000 limit on cash. In addition, the brokerage firm maintains supplemental insurance coverage through private insurers intended to provide protection in excess of SIPC limits, subject to the terms and conditions of the policies. The Food Bank has not experienced any losses on such accounts and management believes the Food Bank is not exposed to any significant credit risk arising from such balances.

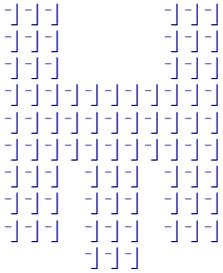
Accounts, grants, and pledges receivable are principally from government agencies and foundations. Realization of these items is dependent on various individual economic conditions. Accounts, grants, and pledges receivable are carried at estimated net realizable values. As of June 30, 2025, management believes the Food Bank had no significant concentrations of credit risk in its accounts, grants, and pledges receivable.

11. Contingencies

From time to time, the Food Bank may be involved in legal actions arising in the ordinary course of its operations. Management believes that the outcome of such matters, individually or in the aggregate, will not have a material adverse effect on the Food Bank's financial position, activities, or cash flows. The Food Bank maintains insurance coverage that management believes is adequate to protect its assets and operations from potential claims and liabilities.

12. Subsequent Events

Management has evaluated subsequent events through February 23, 2026, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

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

To the Board of Directors of
Palm Beach County Food Bank, Inc.
Lake Worth Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Palm Beach County Food Bank, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 23, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

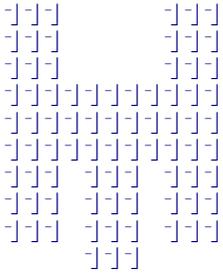
As part of obtaining reasonable assurance about whether Palm Beach County Food Bank, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Palm Beach County Food Bank, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Palm Beach County Food Bank, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 23, 2026



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

125 Butler Street • West Palm Beach, FL 33407

(561) 689-6000 • Fax (561) 689-6001 • www.holyfieldandthomas.com

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

To the Board of Directors of
Palm Beach County Food Bank, Inc.
Lake Worth, Florida

Opinion on Each Major Federal Program

We have audited Palm Beach County Food Bank, Inc.'s 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 Palm Beach County Food Bank, Inc.'s major federal programs for the year ended June 30, 2025. Palm Beach County Food Bank, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Palm Beach County Food Bank, Inc. 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 Palm Beach County Food Bank, Inc. 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 Palm Beach County Food Bank, Inc.'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 Palm Beach County Food Bank, Inc.'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 Palm Beach County Food Bank, Inc.'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 Palm Beach County Food Bank, Inc.'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 Palm Beach County Food Bank, Inc.'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 Palm Beach County Food Bank, Inc.'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 Palm Beach County Food Bank, Inc.'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.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 23, 2026

For The Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are 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 that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance on major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Major programs:	
Assistance Listing Number (ALN)	14.218
Name of Federal Program or Cluster:	U.S. Department of Housing and Urban Development - Community Development Block Grant – Entitlement Program
Dollar Threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	No

For The Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended June 30, 2025, relative to financial reporting for Palm Beach County Food Bank, Inc.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs reported for the year ended June 30, 2025, relative to federal awards for Palm Beach County Food Bank, Inc.

CORRECTIVE ACTION PLAN

There is no corrective action plan required, as there are no findings or question costs reported for the year ended June 30, 2025.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior audit findings or questioned costs for the year ended June 30, 2024, relative to federal awards requiring action on the part of the auditee for that fiscal year.

SUPPLEMENTARY INFORMATION

PALM BEACH COUNTY FOOD BANK, INC.

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

For the Year Ended June 30, 2025

<u>Federal Grantor/Pass-Through Grantor Program or Cluster Title</u>	<u>Assistance Listing Number / Award Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture (USDA): Passed through from Florida Department of Agriculture and Consumer Services		
Food Distribution Cluster		
Emergency Food Assistance Program	10.568	
Capital Expenditures	29597	\$ 188,095
Total Food Distribution Cluster		<u>188,095</u>
U.S. Department of Housing and Urban Development (HUD): Passed through from Palm Beach County:		
CDBG– Entitlement Cluster		
Community Development Block Grant - Entitlement Program		
Benefits Outreach (SNAP)	14.218	
Benefits Outreach (SNAP)	R2023-1456	8,451
Benefits Outreach (SNAP)	R2024-1414	16,208
COVID 19 Community Development Block Grant - Entitlement Program		
Partner Market Place - Food Distribution	14.218	
Partner Market Place - Food Distribution	R2024-1195	310,067
Partner Market Place - Food Distribution	R2025-0147	<u>279,979</u>
Total CDBG– Entitlement Cluster		<u>614,705</u>
Total federal expenditures		<u><u>\$ 802,800</u></u>

*See independent auditor's report and accompanying notes to
schedule of expenditures of federal awards.*

For The Year Ended June 30, 2025

1. Basis of Presentation

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

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.

3. Indirect Cost Rate

Palm Beach County Food Bank, Inc. has elected not to use the 10% de minimis indirect cost allowed under the Uniform Guidance.

For the Year Ended June 30, 2025

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
<u>Supporting Agency and Program Title</u>				
Children's Service Council of Palm Beach County:				
Benefits Outreach	\$ -	\$ -	\$ 249,115	\$ 249,115
Childhood Hunger Initiatives	-	-	267,500	267,500
Continuous Improvements	-	-	11,623	11,623
Operations	-	-	225,000	225,000
Total Children's Service Council	<u>-</u>	<u>-</u>	<u>753,238</u>	<u>753,238</u>
Palm Beach County:				
Benefits Outreach	24,659	-	20,706	45,365
Partner Marketplace	590,046	-	134,590	724,636
Total Palm Beach County	<u>614,705</u>	<u>-</u>	<u>155,296</u>	<u>770,001</u>
Florida Department of Agriculture and Consumer Services:				
Capital Expenditures	188,095	-	-	188,095
Total Florida Department of Agriculture and Consumer Services	<u>188,095</u>	<u>-</u>	<u>-</u>	<u>188,095</u>
Total financial assistance	<u>\$ 802,800</u>	<u>\$ -</u>	<u>\$ 908,534</u>	<u>\$ 1,711,334</u>

See independent auditor's report.