

**THE FOOD BANK
OF WESTERN MASSACHUSETTS, INC.
AND AFFILIATE**

***CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION***

SEPTEMBER 30, 2024 AND 2023

**THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS**

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MeyersBrothersKalicka, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS STRATEGISTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Food Bank of Western Massachusetts, Inc. and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of The Food Bank of Western Massachusetts, Inc. and Affiliate (both nonprofit organizations, collectively referred to as the "Organization") which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Food Bank of Western Massachusetts, Inc. and Affiliate as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of The Food Bank of Western Massachusetts, Inc. and Affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 of Western Massachusetts, Inc. and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audits 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 of Western Massachusetts, Inc. and Affiliate'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 of Western Massachusetts, Inc. and Affiliate'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.

Consolidating and Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, activities and schedules of expenses are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. 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 also presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating statements of financial position, activities, schedules of expenses and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2025, on our consideration of The Food Bank of Western Massachusetts, Inc. and Affiliate'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 The Food Bank of Western Massachusetts, Inc. and Affiliate'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 of Western Massachusetts, Inc. and Affiliate's internal control over financial reporting and compliance.

Myrus Brothers Kalicka, P.C.

Holyoke, Massachusetts
January 8, 2025

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023**

ASSETS

	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 5,539,973	\$ 4,170,425
Cash-restricted - current portion	350,510	354,273
Term deposits	-	8,199,549
Accounts and grants receivable	1,649,055	304,297
Pledges receivable - capital campaign, current	910,014	1,363,930
Inventory	1,381,298	1,663,990
Prepaid expenses	<u>61,644</u>	<u>143,699</u>
Total current assets	<u>9,892,494</u>	<u>16,200,163</u>
Property and equipment, net	<u>27,183,428</u>	<u>24,621,677</u>
Other assets		
Cash-board designated reserves	4,337,997	2,014,023
Cash-restricted	5,100	5,100
Pledges receivable - capital campaign, long-term, net	432,330	1,300,377
Leveraged loan receivable	14,786,800	14,786,800
Investments - quasi-endowments	2,913,012	2,318,647
Investment at Community Foundation	<u>46,269</u>	<u>37,523</u>
Total other assets	<u>22,521,508</u>	<u>20,462,470</u>
Total assets	<u>\$ 59,597,430</u>	<u>\$ 61,284,310</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 233,247	\$ 618,008
Accrued expenses	770,029	1,340,586
Deferred revenue	26,850	24,300
Due to member agencies	<u>38,526</u>	<u>41,015</u>
Total current liabilities	<u>1,068,652</u>	<u>2,023,909</u>
Long term liabilities		
Long term debt - NMTC	20,440,000	20,440,000
Less: debt issuance costs, net	<u>(253,361)</u>	<u>(261,087)</u>
Total long term liabilities	<u>20,186,639</u>	<u>20,178,913</u>
Total liabilities	<u>21,255,291</u>	<u>22,202,822</u>
Net assets		
Without donor restrictions		
Operating	29,393,176	31,725,138
Board designated - quasi-endowments	2,913,012	2,318,647
Board designated - other reserves	<u>4,337,997</u>	<u>2,014,023</u>
	36,644,185	36,057,808
With donor restrictions	<u>1,697,954</u>	<u>3,023,680</u>
Total net assets	<u>38,342,139</u>	<u>39,081,488</u>
Total liabilities and net assets	<u>\$ 59,597,430</u>	<u>\$ 61,284,310</u>

The accompanying notes are an integral part of these consolidated financial statements.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Revenue and support without donor restrictions		
Donated food	\$ 13,176,575	\$ 10,701,135
U.S.D.A. food	5,206,327	4,171,062
MEFAP food	5,143,223	4,025,631
Food buy-in program	249,042	277,119
Donations	2,850,906	3,652,330
In-kind contributions-professional services/other	23,589	40,895
U.S.D.A. grant	507,275	1,046,181
MEFAP grant	155,500	145,425
Grants - corporate/foundations/other	2,575,633	4,957,153
Contract contributions	990,913	886,742
Gain on sale of property and equipment	-	232,172
Membership fees, delivery fees, and miscellaneous	191,424	29,604
Interest income on notes	166,499	166,742
Shared maintenance fees - agencies	76,827	64,225
Special events	981,357	1,046,381
Distribution from endowed funds at Community Foundation	56,400	54,600
Interest and dividends (investments)	156,043	174,394
Interest (term deposits)	383,815	199,549
Unrealized/realized gain on investments	526,393	216,331
Unrealized/realized gain on investment at Community Foundation, net	<u>8,746</u>	<u>4,198</u>
Total revenue and support	<u>33,426,487</u>	<u>32,091,869</u>
Expense		
Programs	31,376,389	24,391,249
Administration	1,320,029	1,168,692
Development	<u>1,847,483</u>	<u>1,512,614</u>
Total expense	<u>34,543,901</u>	<u>27,072,555</u>
Change in net assets without donor restrictions (operations)	(1,117,414)	5,019,314
Net assets released from restrictions (Note 16)	<u>1,703,791</u>	<u>1,681,777</u>
Change in net assets without restrictions	<u>586,377</u>	<u>6,701,091</u>
Net assets with donor restrictions		
Restricted contributions	378,065	1,199,170
Released from restrictions	<u>(1,703,791)</u>	<u>(1,681,777)</u>
Change in net assets with donor restrictions	<u>(1,325,726)</u>	<u>(482,607)</u>
Change in net assets	(739,349)	6,218,484
Net assets, beginning of year	<u>39,081,488</u>	<u>32,863,004</u>
Net assets, end of year	<u>\$ 38,342,139</u>	<u>\$ 39,081,488</u>

The accompanying notes are an integral part of these consolidated financial statements.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

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

	<u>Programs</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
Salaries and related expenses				
Salaries	\$ 2,625,652	\$ 720,752	\$ 1,004,618	\$ 4,351,022
Employee benefits	485,471	141,511	246,422	873,404
Payroll taxes	205,240	56,537	77,648	339,425
Total salaries and related benefit expenses	<u>3,316,363</u>	<u>918,800</u>	<u>1,328,688</u>	<u>5,563,851</u>
Food				
Donated food	12,899,025	-	-	12,899,025
MEFAP food	5,119,737	-	-	5,119,737
Purchased and discarded food	1,395,481	-	-	1,395,481
U.S.D.A. food	5,479,043	-	-	5,479,043
Total food	<u>24,893,286</u>	<u>-</u>	<u>-</u>	<u>24,893,286</u>
Other expenses				
Asset management fees - NMTC	103,303	7,656	-	110,959
Consultants	57,512	16,874	51,652	126,038
Depreciation	743,286	64,122	29,553	836,961
Direct mail	-	-	29,895	29,895
Fees and subscriptions	19,895	16,823	52,696	89,414
Freight	59,411	-	-	59,411
In-kind expense - professional services/other	15,095	-	8,494	23,589
Insurance	92,242	24,542	34,179	150,963
Interest expense (debt issuance)	7,193	533	-	7,726
Interest expense	215,148	16,362	-	231,510
Internet services and information technology	34,197	5,853	81,779	121,829
Legal and accounting	-	57,757	-	57,757
Office expenses and equipment	21,308	115,127	4,560	140,995
Postage and printing	15,210	18,015	31,919	65,144
Program expenses	383,101	-	-	383,101
Public relations/advertising	154	5,993	19,575	25,722
Repairs and maintenance	198,051	23,977	23,168	245,196
Special events	8,055	2,272	48,716	59,043
Staff training and conferences	31,482	8,359	9,662	49,503
Supplies	725,534	2,728	5,071	733,333
Telephone and telecommunications	37,669	9,646	13,596	60,911
Temporary help	193,699	1,304	62,595	257,598
Transportation and travel	32,400	1,084	2,745	36,229
Utilities	104,771	2,202	8,940	115,913
Vehicle expense	68,024	-	-	68,024
Total other expenses	<u>3,166,740</u>	<u>401,229</u>	<u>518,795</u>	<u>4,086,764</u>
Total expense	<u>\$ 31,376,389</u>	<u>\$ 1,320,029</u>	<u>\$ 1,847,483</u>	<u>\$ 34,543,901</u>

The accompanying notes are an integral part of these consolidated financial statements

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Programs</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
Salaries and related expenses				
Salaries	\$ 2,238,094	\$ 568,580	\$ 896,033	\$ 3,702,707
Employee benefits	371,341	150,057	174,172	695,570
Payroll taxes	172,916	44,371	69,601	286,888
Total salaries and related benefit expense	<u>2,782,351</u>	<u>763,008</u>	<u>1,139,806</u>	<u>4,685,165</u>
Food				
Donated food	10,684,566	-	-	10,684,566
MEFAP food	4,006,397	-	-	4,006,397
Purchased and discarded food	1,449,031	-	-	1,449,031
U.S.D.A. food	3,587,453	-	-	3,587,453
Total food	<u>19,727,447</u>	<u>-</u>	<u>-</u>	<u>19,727,447</u>
Other expenses				
Consultants	67,430	15,492	30,019	112,941
Depreciation	274,127	42,589	25,524	342,240
Direct mail	-	-	20,803	20,803
Fees and subscriptions	15,734	14,215	43,210	73,159
Freight	41,536	-	-	41,536
In-kind expense - professional services/other	26,632	-	14,263	40,895
Insurance	46,055	13,607	18,758	78,420
Interest expense (debt issuance)	7,726	-	-	7,726
Internet services and information technology	6,054	56,886	9,018	71,958
Legal and accounting	-	48,063	-	48,063
Equipment and office expenses	16,976	132,234	8,157	157,367
Postage and printing	8,935	15,583	13,799	38,317
Program expenses	218,059	-	-	218,059
Public relations/advertising	52	12,183	4,604	16,839
Repairs and maintenance	147,727	9,015	58,522	215,264
Special events	736	6,253	34,143	41,132
Staff training and conferences	24,043	11,759	7,798	43,600
Supplies	617,061	1,734	7,069	625,864
Telephone and telecommunications	32,628	8,498	11,305	52,431
Temporary help	70,681	10,564	49,605	130,850
Transportation and travel	23,259	3,823	4,165	31,247
Utilities	151,582	3,186	12,046	166,814
Vehicle expense	84,418	-	-	84,418
Total other expenses	<u>1,881,451</u>	<u>405,684</u>	<u>372,808</u>	<u>2,659,943</u>
Total expense	<u>\$ 24,391,249</u>	<u>\$ 1,168,692</u>	<u>\$ 1,512,614</u>	<u>\$ 27,072,555</u>

The accompanying notes are an integral part of these consolidated financial statements

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (739,349)	\$ 6,218,484
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	836,961	342,240
Amortization of debt issuance costs	7,726	7,726
Unrealized/realized gains on investments	(526,393)	(216,331)
Unrealized gains on investment at Community Foundation, net	(8,746)	(4,198)
Gain on sale of property and equipment	-	(232,172)
Donated securities	(127,769)	(84,706)
Net changes in assets and liabilities:		
Accounts and grants receivable	(1,344,758)	(194,823)
Pledges receivable	1,321,963	626,916
Inventory	282,692	(1,111,677)
Prepaid expenses	82,055	(60,151)
Accounts payable	(384,761)	533,078
Accrued expenses	(570,557)	(555,569)
Deferred revenue	2,550	1,000
Due to member agencies	(2,489)	(16,935)
Net cash (used in) provided by operating activities	<u>(1,170,875)</u>	<u>5,252,882</u>
Cash flows from investing activities		
Purchase of property and equipment	(3,398,712)	(15,551,057)
Proceeds from sale of property and equipment	-	2,139,350
Purchase of term deposits	-	(8,000,000)
Reinvestment of interest in term deposits	(383,815)	(199,549)
Redemption of term deposits	8,583,364	-
Proceeds from sale of donated investments	127,769	84,706
Purchase of investments	<u>(67,972)</u>	<u>(54,072)</u>
Net cash provided by (used in) investing activities	<u>4,860,634</u>	<u>(21,580,622)</u>
Net increase (decrease) in cash and restricted cash	3,689,759	(16,327,740)
Cash, cash equivalents and restricted cash, beginning of year	<u>6,543,821</u>	<u>22,871,561</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 10,233,580</u>	<u>\$ 6,543,821</u>
Cash included in cash, cash equivalents and restricted cash, end of year:		
Cash and cash equivalents	\$ 5,539,973	\$ 4,170,425
Cash-board designated reserves	4,337,997	2,014,023
Cash-restricted	<u>355,610</u>	<u>359,373</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 10,233,580</u>	<u>\$ 6,543,821</u>
Supplemental disclosures of cash flow information		
Interest paid during the year, which was expensed in 2024 and capitalized in 2023	\$ 231,510	\$ 227,186
Supplemental disclosures of non-cash operating activities		
Donated and governmental food support	\$ 23,526,125	\$ 18,897,828
Donated and governmental food expense	(23,497,805)	(18,278,416)
Donated in-kind support	23,589	40,895

The accompanying notes are an integral part of these consolidated financial statements

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

1. NATURE OF ORGANIZATION:

The consolidated financial statements include The Food Bank of Western Massachusetts, Inc. ("The Food Bank") and its wholly owned subsidiary, The Food Bank Support Corporation ("Support Corporation"), (collectively referred to as the "Organization"). Both entities are nonprofit organizations incorporated in the Commonwealth of Massachusetts.

The Food Bank

The Food Bank of Western Massachusetts, Inc. was founded in 1982 and its mission is "to feed our neighbors in need and lead the community to end hunger." The Food Bank distributes food directly and through a network of approximately 187 partner local feeding programs (food pantries, meal sites, shelters and other social service programs) to an average of approximately 120,000 individuals monthly who are at risk of hunger or food insecurity. In addition to food distribution, The Food Bank provides SNAP outreach and enrollment, nutrition education, capacity building resources for the region's food assistance network, and public education and advocacy on hunger and food insecurity - not knowing where your next meal will come from. The Food Bank accounts for 63% and 62% of the consolidated assets as of September 30, 2024 and 2023, respectively, and more than 99% of the consolidated revenues for the years ended September 30, 2024 and 2023.

Support Corporation

In September 2021, the Support Corporation was established as a Qualified Active Low-Income Business (QALICB) non-profit support corporation to be a supporting organization operated for the benefit of The Food Bank. This Support Corporation supports the functions of The Food Bank including development of the new 63,000 square foot food distribution center and headquarters in Chicopee, MA, which was placed into service in September 2023. This project was funded using New Market Tax Credits (NMTC), with the remaining amount funded through donations, ARPA funding (\$5 million), bonds, and the sale of the Hatfield building in September 2023. The Support Corporation accounts for 37% and 38% of the consolidated assets as of September 30, 2024 and 2023, respectively, and less than 1% of the consolidated revenues for the years ended September 30, 2024 and 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of accounting

The accompanying consolidated financial statements of The Food Bank of Western Massachusetts, Inc. and Affiliate have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Principles of consolidation

The consolidated financial statements of the Organization include the accounts of The Food Bank and the Support Corporation. All intercompany transactions and account balances have been eliminated in consolidation.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Recent accounting standard adopted - Allowance for Credit Losses

The FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“CECL”), as amended. The standard was effective October 1, 2023 and introduced an expected credit loss model for the impairment of financial assets measured at amortized cost. The model replaces the probable, incurred loss model for those assets and broadens the information an entity must consider in developing its expected credit loss estimate for assets measured at amortized cost. This estimate must be based on all relevant information, such as historical information, current conditions, and reasonable and supportable forecasts that could impact the collectability of the amounts. Financial assets held by the Organization that are subject to guidance in FASB ASC 326 are accounts receivable, which are included in accounts and grants receivable in the consolidated statements of financial position.

The Organization adopted the standard effective October 1, 2023. The standard did not have a material impact on the consolidated financial statements upon adoption. Additional information and disclosure required by this new standard are included in the accounts and grants receivable policy disclosure.

Revenue

Recognition of membership fees

The Organization offers its emergency food network members access to free food to distribute to households and capacity building resources, for a small annual fee. The fee is agreed to by member agencies and is determined based on entity type. The Organization recognizes revenue on these amounts over time. Deferred revenue on the Organization’s consolidated statements of financial position consists of contract liabilities representing unearned revenues on these fees.

The contract liability balances (deferred revenue) as of September 30, 2024 and 2023 are presented on the consolidated statements of financial position. As of September 30, 2022, the contract liability balance was \$23,300. All revenue from prior periods has been recognized.

Recognition of food buy-in program, shared maintenance, and delivery fees

The Organization offers its members access to certain purchased food at a small mark-up over cost to offset the cost of administration and maintenance. The fee is agreed to by members at the time the food is ordered. Shared maintenance and delivery fees on donated food, authorized by Feeding America, are used to offset the cost of maintenance and delivery. The Organization recognizes revenue on these amounts at the point in time when the member takes possession of the delivery.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Revenue (continued)

The Organization's revenue is generated from the following types of arrangements at September 30:

	<u>2024</u>	<u>2023</u>
Donations (food and cash) *	\$ 26,755,096	\$ 23,749,328
Grants and contributions *	4,252,910	7,076,396
Special events	981,357	1,046,381
Membership fees	24,537	22,050
Food buy-in program	249,042	277,119
Gain on sale of assets *	-	232,172
Shared maintenance and delivery fees	82,920	28,157
Investment income, net *	1,131,397	649,072
New Market Tax Credit Revenue *	166,499	166,742
Miscellaneous *	160,794	43,622
Total revenue	\$ <u>33,804,552</u>	\$ <u>33,291,039</u>

*This revenue category is not subject to ASC 606 (certain grants are subject to ASC 606).

Contributions and grants

Unconditional contributions and grants are recorded as unrestricted revenue at the time the contribution or grant is made unless specifically restricted by the donor. Contributions related to special events are recorded as unrestricted revenue in the fiscal year during which the event was held. The Organization records donated food received using the price per pound provided by Feeding America. Contributions of assets other than cash and food are recorded at their estimated fair value. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received.

Conditional promises to give represent gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds. They are not recognized until the barrier is substantially met. Donor-restricted contributions that were initially conditional contributions whose restrictions are met in the same reporting period that revenue is recognized are classified as support within net assets without donor restrictions.

Donor restricted contributions or grants are recorded in net assets with donor restriction at the time they are made. These amounts are subsequently transferred to net assets without donor restriction at the time the Organization has met the purpose or time restrictions. Donor restricted contributions, whose restrictions are met in the same reporting period, have been reported as support without donor restrictions in the consolidated statement of activities.

In-kind professional services/other

In-kind services are recorded as contributions when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would typically be purchased if not provided by donation. Other in-kind materials are recorded as contributions in the year received at their fair value on the date of receipt if an objective basis is available to measure such values.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Accounts and grants receivable

Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances.

The contract asset balances (accounts and grants receivable) as of September 30, 2024 and 2023 are presented on the consolidated statements of financial position. As of September 30, 2022, the contract asset balance was \$109,474.

The Organization records an allowance for credit losses for financial assets carried at amortized cost, which represents the net amount to be collected. The allowance estimate is derived from a review of the Organization's historical losses based on the aging receivable. The estimate is adjusted for all available relevant information regarding the collectability of cash flow, including historical information, current conditions, and reasonable and supportable forecasts of future economic conditions over the contractual life of the receivable and any other factors deemed relevant by the Organization. The Organization's accounts and grants receivable are short duration in nature and typically settle in less than 60 days. When measuring expected credit losses, the Organization pools assets with similar risk characteristics. Changes in the relevant information may significantly affect the estimates of expected credit losses.

Assets are written off when the Organization deems the financial assets to be uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. No allowance was deemed necessary for accounts and grants receivable at September 30, 2024 and 2023.

Pledges receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Food Bank reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual pledges. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. An allowance of \$150,652 and \$300,792 were deemed reasonable at September 30, 2024 and 2023, respectively.

Cash - board designated reserves

At September 30, 2024, board designated reserves are \$4,337,997 and included in a savings account. At September 30, 2023, board designated reserves were \$2,014,023 and include a savings account with a balance of \$855,290.

Cash - with restrictions

The Organization received \$5,100 in donations during 2002 for the establishment of an endowment fund with donor restrictions. Under the terms of this fund, the corpus shall remain restricted and the income thereon may be used for general purposes of The Food Bank.

At September 30, 2024, restricted cash – current portion, is comprised of donor restricted cash for department restricted grants of \$350,510. At September 30, 2023, restricted cash - current portion, was comprised of donor restricted cash for department restricted grants in the amount of \$354,273.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Term deposits

Term deposits consisted of certificates of deposit with original maturity dates greater than 90 days. At September 30, 2023, this balance represented certificates of deposit with an interest rate of 4.64% and a maturity date of February 6, 2024. The certificates were recorded at cost plus any interest which had been reinvested. The certificates were redeemed in September 2024 and there is no balance in term deposits at September 30, 2024.

Inventory

Categories of food inventory include donated food, purchased food, and government funded food which is warehoused on behalf of the government by The Food Bank for redistribution. The Organization records donated food received using the price per pound provided by Feeding America as stated in the annual *Product Valuation Survey* as of December 31, 2023, for the year ended September 30, 2024 and as of December 31, 2022, for the year ended September 30, 2023. The Food Bank's donated food was valued using \$1.93 and \$1.92 per pound for the years ended September 30, 2024 and 2023, respectively. Purchased food is stated at the lower of first-in, first out (FIFO) cost or net realizable value. Net realizable value represents the estimated selling price of the inventory, less reasonably predictable costs of completion, transportation, and disposal.

Property and equipment

Property and equipment are stated at cost, net of the related depreciation. Maintenance and repairs are charged to expense as incurred. The Organization's policy is to capitalize property and equipment purchases greater than \$5,000 with a useful life greater than one year. Donated assets are stated at estimated fair value on the date of donation. Depreciation commences when the assets are placed into service and is recorded using straight line and accelerated methods over the following estimated useful lives of the assets:

Building and improvements	10 - 40 years
Furniture, fixtures and equipment	3 - 10 years
Motor vehicles	5 years

For the years ended September 30, 2024 and 2023, depreciation expense was \$836,961 and \$342,240, respectively.

The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Investments

Investments are stated at fair value using methodologies as discussed in Fair Value Measurements (see Note 8). Gains and losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains and losses resulting from sales or maturities are calculated on a specific identification basis. Dividend and interest income are accrued when earned and reported net of investment advisory fees.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments and related activity reported in the consolidated financial statements.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Debt issuance costs

Debt issuance costs are being amortized using the interest method over the term of the related debt (approximately 34 years). The total cost was \$268,813 at September 30, 2024 and 2023. Total accumulated amortization at September 30, 2024 and 2023 was \$15,452 and \$7,726, respectively. For the years ended September 30, 2024 and 2023, amortization expense was \$7,726 and recorded to interest expense. The amortization of these costs are expected to be \$7,726 for the next five years.

Classification of net assets

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

Net assets without donor restrictions - Net assets without donor restrictions represents amounts that are not subject to donor-imposed restrictions. These funds are available to be used for the general purposes of the Organization and may be designated for specific purposes by action of the Board of Directors (see Note 11).

Net assets with donor restrictions - Net assets with donor restrictions represents amounts that are subject to donor-imposed stipulations. Certain net assets are temporary in nature and when a purpose or time stipulation is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Certain donor restricted net assets must remain in perpetuity and the earnings on these net assets may be used as stipulated.

Functional allocation of expenses

The cost of providing various programs and supporting activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated by management among programs and supporting services. Expenses are charged to programs and supporting services include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Personnel expenses are allocated based upon full-time equivalents. Occupancy expenses are allocated based upon square footage.

Use of estimates

The preparation of consolidated financial statements in conformity with 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. Accordingly, actual results could differ from those estimates.

Income taxes

The Food Bank is a not-for-profit corporation organized under Chapter 180 of the laws of the Commonwealth of Massachusetts and is exempt from federal and state taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly does not record a provision for income taxes on its changes in net assets. In addition, The Food Bank qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Income taxes (continued)

The Support Corporation was established by The Food Bank as a separate Qualified Active Low-Income Business (QALICB) non-profit support corporation to fulfill the requirement under the regulations for New Market Tax Credits transactions. The Support Corporation is a not-for-profit corporation organized under Chapter 180 of the laws of the Commonwealth of Massachusetts and is exempt from federal and state taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly does not record a provision for income taxes on its changes in net assets.

Uncertain tax positions

A tax position is deemed to include such things as the Organization's tax-exempt status, unrelated business income and the methodologies for allocating expenses to unrelated business income streams. Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition. The Organization's tax returns are subject to examination by taxing authorities for all years ended on or after September 30, 2021.

Leases – ASC 842

The Organization adopted ASU No. 2016-02, Leases using the modified retrospective approach with October 1, 2022 as the date of initial adoption. There was no cumulative effect on the consolidated statement of financial position upon initial recognition of ROU assets and corresponding lease liabilities, with no retrospective adjustments to prior periods. The Organization elected the package of practical expedients permitted under the transition guidance which, among other things, allowed the Organization to carryforward the historical lease classification. The Organization determines if an arrangement is a lease at inception. The adoption of this standard had no effect on the consolidated financial statements as all long-term leases are with related parties and are eliminated in these consolidated statements (see Note 12).

3. LIQUIDITY AND AVAILABILITY OF ASSETS:

The Organization has financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date (September 30) as detailed below.

	2024	2023
Cash	\$ 5,539,973	\$ 4,170,425
Accounts and grants receivable	1,649,055	304,297
Term deposits	-	8,199,549
Total financial assets available for general expenditure	\$ 7,189,028	\$ 12,674,271

The Organization manages its liquidity by developing and adopting annual operating budgets that are designed to provide sufficient funds for general expenditures and allow the Organization to meet its liabilities and other obligations as they become due. The Organization has over \$2,900,000 of investments that could be used for general expenditures should management deem it appropriate. In addition, the Organization maintains reserves of \$4,337,997 that may be used for general expenditures upon board approval.

As more fully described in Note 15, the Organization also has a line of credit in the amount of \$500,000, which it could draw upon to meet cash flow needs. The available balance on this line was the full \$500,000 at September 30, 2024 and 2023.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

4. PLEDGES RECEIVABLE:

The Organization received promises to give, in support of the construction of a new food distribution center and headquarters. The pledges outstanding consisted of the following at September 30:

	<u>2024</u>	<u>2023</u>
Gross pledges receivable		
Due within one year	\$ 910,014	\$ 1,363,930
Due within three years	552,802	1,449,581
Due within five years	48,455	200,030
Total gross pledges receivable	<u>1,511,271</u>	<u>3,013,541</u>
Less discount to net present value on pledges using discount rate of 1.13%	(18,275)	(48,442)
Less allowance	<u>(150,652)</u>	<u>(300,792)</u>
Pledges receivable, net	<u>\$ 1,342,344</u>	<u>\$ 2,664,307</u>

5. PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at September 30, 2024:

	<u>Food Bank</u>	<u>Support Corporation</u>	<u>Total</u>
Land	\$ 1,358,962	\$ -	\$ 1,358,962
Building and improvements	771,561	21,575,130	22,346,691
Furniture, fixtures and equipment	2,208,676	-	2,208,676
Motor vehicles	848,265	-	848,265
	<u>5,187,464</u>	<u>21,575,130</u>	<u>26,762,594</u>
Less: accumulated depreciation	(1,260,029)	(570,469)	(1,830,498)
Construction in progress	2,251,332	-	2,251,332
Property and equipment, net	<u>\$ 6,178,767</u>	<u>\$ 21,004,661</u>	<u>\$ 27,183,428</u>

Construction in progress at September 30, 2024 consists of assets related to the installation of solar electric system at the Chicopee headquarters including a rooftop solar array and a solar parking canopy. The majority of this project was funded through federal grant from the Department of Housing and Urban Development. Additional costs of approximately \$216,000 were incurred prior to these assets being placed into service in December 2024.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

5. PROPERTY AND EQUIPMENT: (CONTINUED)

Property and equipment consisted of the following at September 30, 2023:

	Food Bank	Support Corporation	Total
Land	\$ 1,260,571	\$ -	\$ 1,260,571
Building and improvements	545,385	20,774,476	21,319,861
Furniture, fixtures and equipment	2,186,517	-	2,186,517
Motor vehicles	848,265	-	848,265
	<u>4,840,738</u>	<u>20,774,476</u>	<u>25,615,214</u>
Less: accumulated depreciation	(950,256)	(43,281)	(993,537)
Property and equipment, net	<u>\$ 3,890,482</u>	<u>\$ 20,731,195</u>	<u>\$ 24,621,677</u>

6. INVESTMENTS:

The Organization considers certain investments as quasi-endowment which consisted of the following at September 30:

<u>Mutual Funds at Fair Value</u>	2024	2023
Large blend funds	\$ 1,556,335	\$ 1,150,805
Corporate bond funds	545,461	474,523
Short-term bond funds	509,712	465,031
Large growth funds	177,102	128,674
Foreign large blend funds	124,402	99,614
Total	<u>\$ 2,913,012</u>	<u>\$ 2,318,647</u>

7. INVESTMENTS AT COMMUNITY FOUNDATION:

The Organization transferred funds to the Community Foundation of Western Massachusetts ("CFWM") to establish The Food Bank of Western Massachusetts Fund. However, the Organization is the beneficiary of the Fund and could receive full distribution. The refundable advance which is stated at market value, was \$46,269 and \$37,523 at September 30, 2024 and 2023, respectively.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

8. FAIR VALUE MEASUREMENTS:

The Organization follows established guidelines for a fair value hierarchy that prioritizes the inputs used to measure fair value. An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities. Market price is generally obtained from exchange or dealer markets.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Inputs are obtained from various sources including market participants, dealers and brokers.

Level 3 Unobservable inputs that are supported by little or no market activity as they trade infrequently or not at all and that are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The disclosure of fair value measurements is based upon information provided by Vanguard and CFWM and is reviewed by management. As of September 30, 2024 and 2023, all investments held by the Organization are considered to be Level 1.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024 and 2023.

Mutual Funds - are reported at fair value based on quoted market prices.

Investments - stated at fair value based on the Organization's share of assets held by the Community Foundation of Western Massachusetts.

9. ENDOWMENTS:

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The objectives of the endowments are to maximize return within reasonable and prudent levels of risk, to preserve the purchasing power of the endowments' current assets and all future contributions over appropriate longer-term investment horizons and to control the costs of administering the endowments and managing the investments. The overall asset allocation for the endowments is 60% in equities and 40% in fixed income.

The Organization has a spending policy for the endowments of 4% as of the preceding March 31st, thirteen-quarter rolling average fair value of the fund.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

9. ENDOWMENTS: (CONTINUED)

Endowment net asset composition by type of fund as of September 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment funds	\$ -	\$ 5,100	\$ 5,100
Investments – quasi-endowments	2,913,012	-	2,913,012
	<u>\$ 2,913,012</u>	<u>\$ 5,100</u>	<u>\$ 2,918,112</u>

Endowment net asset composition by type of fund as of September 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment funds	\$ -	\$ 5,100	\$ 5,100
Investments – quasi-endowments	2,318,647	-	2,318,647
	<u>\$ 2,318,647</u>	<u>\$ 5,100</u>	<u>\$ 2,323,747</u>

Changes in endowment assets at September 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$ 2,318,647	\$ 5,100	\$ 2,323,747
Dividend and interest income	67,972	-	67,972
Unrealized gain in investments	526,393	-	526,393
Endowment net assets, end of year	<u>\$ 2,913,012</u>	<u>\$ 5,100</u>	<u>\$ 2,918,112</u>

Changes in endowment assets as of September 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$ 2,048,244	\$ 5,100	\$ 2,053,344
Dividend and interest income	54,072	-	54,072
Unrealized gain in investments	216,331	-	216,331
Endowment net assets, end of year	<u>\$ 2,318,647</u>	<u>\$ 5,100</u>	<u>\$ 2,323,747</u>

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

10. ENDOWED FUND:

In 2005, a donation of \$1,000,000 was made to the Community Foundation of Western Massachusetts (CFWM) to be held as an endowment for the benefit of The Food Bank. The endowment is an asset of CFWM because the donor granted variance power to CFWM over the use of the endowment. As the beneficiary of the endowment, The Food Bank is entitled to an annual income distribution calculated in accordance with CFWM's distribution policy, provided The Food Bank continues to serve the four counties of Western Massachusetts and uses the distribution for operating expenses previously disclosed to CFWM. The distribution cannot be used for capital expenditures. Any amount available for expenditure that is not distributed to The Food Bank in any year shall be added to the principal of the endowed fund. The Food Bank received \$56,400 and \$54,600 from the fund for the years ended September 30, 2024 and 2023, respectively.

11. BOARD DESIGNATED RESERVES:

Board designated reserves are available for the following purposes at September 30:

	<u>2024</u>	<u>2023</u>
Operating reserve	\$ 2,000,000	\$ 2,000,000
Capital reserve	837,997	14,023
Strategic opportunity reserve and disaster fund	1,500,000	-
	<u>\$ 4,337,997</u>	<u>\$ 2,014,023</u>

The Board fulfills the recommendation of Feeding America to maintain an operating reserve equal to three months of cash operating expenses but is not required to maintain this reserve if the Organization has positive working capital for the last two fiscal years.

The capital reserve fund is for repair, replacement or acquisition of capital asset expenditures related to facility and long-term capital investments and projects.

The strategic opportunity reserve and disaster fund is for unbudgeted programmatic, infrastructure, community and emergency food network support.

12. LOAN RECEIVABLE AND NEW MARKET TAX CREDIT TRANSACTIONS:

In September 2023, the Organization completed construction of a 63,000 square foot food distribution center and headquarters in Chicopee, MA. The construction cost was approximately \$20.5 million, which is being paid for by The Food Bank, New Market Tax Credits, ARPA and state funding appropriated by the Massachusetts Department of Agriculture and private contributions and grants. Details of the funding are summarized below.

In March 2022, The Food Bank entered into a 99-year ground lease agreement of the Chicopee site owned by The Food Bank on which Support Corporation is constructing the headquarters. The value of that land lease was determined to be \$450,000 and was donated by The Food Bank to Support Corporation. The Food Bank transferred pre-development assets to Support Corporation for the value of those assets totaling \$782,740. These transactions totaling \$1,232,740 are eliminated in consolidation.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

12. LOAN RECEIVABLE AND NEW MARKET TAX CREDIT TRANSACTIONS: (CONTINUED)

Contributions and funds to The Food Bank were advanced to a third-party investment fund that, subsequently, provided the financing for the construction utilizing the federal New Market Tax Credit Program. In March 2022, The Food Bank advanced funds totaling \$14,786,800 in the form of a note receivable to the COCRF Investor 219, LLC (the "Fund"), (an unrelated party). That note receivable is comprised of:

\$5,286,800 - Leverage Loan A-2, from the proceeds of contributions and grants
\$9,500,000 - Leverage Loan A-1, from bond loan proceeds

These loans, known as the "Leveraged Loans Receivable," call for interest only payments for approximately 7 years at 1.26% through July 1, 2029. Principal and interest payments combined thereafter are \$202,192 annually. The notes mature December 31, 2049. The security for the loans from The Food Bank to the Fund consists of the underlying Fund interests.

The Fund used the combined amounts to make two Qualified Equity Investments (collectively, the "QEIs") in the two entities noted below (both "Business Loan Conduits") in the total amount of \$21,000,000.

MCD Subsidiary CDE 19 LLC (a community development entity or "CDE"), an unrelated limited liability company, had received allocations of New Market Tax Credits (NMTC) pursuant to Section 45D of the Internal Revenue Code in order to assist eligible businesses in making investments in certain rural communities. The availability of NMTC allowed the CDE to invest \$7,000,000 in the Fund.

1 ENRV 2008 LLC (a community development entity or "CDE"), an unrelated limited liability company, had received allocations of New Market Tax Credits (NMTC) pursuant to Section 45D of the Internal Revenue Code in order to assist eligible businesses in making investments in certain rural communities. The availability of NMTC allowed the CDE to invest \$14,000,000 in the Fund.

The proceeds of the QEIs were used by the Business Loan Conduits to make six NMTC enhanced mortgage loans (qualified low income community investments, known as the "QLICI Loans") in the aggregate amount of \$20,440,000 to Support Corporation for purposes of funding the costs of constructing a food distribution center and headquarters in Chicopee.

The NMTC deal structure includes a put and call agreement whereby within six months of the end of the Tax Credit Investment Period (July 2029), MCD Subsidiary CDE 19 LLC and 1 ENRV 2008 LLC each may exercise a put option to sell their interest in the Fund (*i.e.*, *COCRF Investor 219, LLC (the Fund)*) for \$1,000. If the put option is not exercised, The Food Bank may exercise a call option at any time during the six months following the put option period to purchase the interest for an agreed upon fair market value as determined by a qualified independent appraiser.

Interest expense related to the QLICI Loans for the years ended September 30, 2024 and 2023 was \$231,093 and \$227,186, respectively. In 2023 this expense was capitalized as part of the cost of construction. Interest income related to the Leveraged Loan for the years ended September 30, 2024 and 2023 was \$166,499 and \$166,742, respectively.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

12. LOAN RECEIVABLE AND NEW MARKET TAX CREDIT TRANSACTIONS: (CONTINUED)

The flow of funds as a result of these transactions are summarized in the table below:

PB Partners, Inc. provided Bond Loan proceeds	\$	9,500,000
Food Bank of Western Massachusetts provided cash		<u>5,286,800</u>
Amount advanced to the Fund for Leveraged Loan		14,786,800
Amount invested in the Fund by Capital One		6,366,200
Less: fees and other amounts		<u>(713,000)</u>
QLICI Loans to Support Corporation from the CDE	\$	<u>20,440,000</u>

There is a sublease agreement between Support Corporation and The Food Bank so that upon Support Corporation's completing construction of the facility, the headquarters will be leased to, and occupied by, The Food Bank. The sublease agreement terminates on December 31, 2050 and calls for the Food Bank to pay a monthly rent to Support Corporation, which will be used to pay debt service on the QLICI Loans. The initial rent payment of \$12,167 was due March 1, 2023 with subsequent quarterly payments of \$51,500 due for six years, until June 1, 2029, when a single payment in the amount of \$56,500 is scheduled. Quarterly payments thereafter will be \$226,750.

Total rent payments under the sublease agreement totaled \$206,000 and \$115,167 for the years ended September 30, 2024 and 2023, respectively. The related transactions are eliminated upon consolidation.

13. LONG-TERM DEBT - NMTC:

The Organization's notes payable at September 30, are as follows:

Support Corporation notes payable are comprised of the following:

	<u>2024</u>	<u>2023</u>
Mascoma Community Development LLC (Sub-CDE) Loan A-1 in the original amount of \$3,241,621. The loan is interest only at 1% for 87.53 months until September 2029. At that time quarterly principal and interest payments of \$33,743 begin September 2029 and the loan matures December 2056.	\$ 3,241,621	\$ 3,241,621
Mascoma Community Development LLC (Sub-CDE) Loan A-2 in the original amount of \$1,803,979. The loan is interest only at 1% for 87.53 months until September 2029. At that time quarterly principal and interest payments of \$18,778 begin September 2029 and the loan matures December 2056.	1,803,979	1,803,979
Mascoma Community Development LLC (Sub-CDE) Loan B in the original amount of \$1,814,400. The loan is interest only at 1% for 87.53 months until September 2029. At that time quarterly principal and interest payments of \$18,887 begin September 2029 and the loan matures December 2056.	1,814,400	1,814,400

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

13. LONG-TERM DEBT - NMTC: (CONTINUED)

	<u>2024</u>	<u>2023</u>
Evernorth Rural Ventures, Inc. Loan A-1 in the original amount of \$6,258,379. The loan is interest only at 1% for 87.53 months until September 2029. At that time quarterly principal and interest payments of \$65,146 begin September 2029 and the loan matures December 2056.	6,258,379	6,258,379
Evernorth Rural Ventures, Inc. LLC Loan A-2 in the original amount of \$3,482,821. The loan is interest only at 1% for 87.53 months until September 2029. At that time quarterly principal and interest payments of \$36,254 begin September 2029 and the loan matures December 2056.	3,482,821	3,482,821
Evernorth Rural Ventures, Inc. Loan B in the original amount of \$3,838,800. The loan is interest only at 1% for 87.53 months until September 2029. At that time quarterly principal and interest payments of \$39,960 begin September 2029 and the loan matures December 2056.	3,838,800	3,838,800
Total Support Corporation notes payable – long-term	\$ <u>20,440,000</u>	\$ <u>20,440,000</u>

Principal payments on long-term debt are expected to be as follows:

<u>For the year ended December 31,</u>	<u>Amount</u>
2025	\$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	20,440,000

14. DUE TO MEMBERS - AGENCIES:

Due to members consists of funds held by The Food Bank on behalf of members for the purchase of food and/or to offset shared maintenance and delivery fees. As of September 30, 2024 and 2023, the due to members was \$38,526 and \$41,015, respectively.

15. LINE OF CREDIT:

The Food Bank has a line of credit with a bank with a maximum borrowing of \$500,000 with interest at the Wall Street Journal prime rate (8.00% and 8.50% at September 30, 2024 and 2023, respectively) and due on demand. There was no outstanding balance on the line at September 30, 2024 and 2023.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

16. NET ASSETS WITH DONOR RESTRICTIONS:

Time or purpose restricted net assets are summarized as follows at September 30:

	<u>2024</u>	<u>2023</u>
Capital campaign – warehouse	\$ 1,342,344	\$ 2,664,307
Program restricted grants	350,510	354,273
Endowment fund	5,100	5,100
	<u>\$ 1,697,954</u>	<u>\$ 3,023,680</u>

Net assets with donor restrictions were released as follows:

	<u>2024</u>	<u>2023</u>
Capital campaign – warehouse	\$ 1,502,270	\$ 1,525,461
Program restricted grants	201,521	156,316
	<u>\$ 1,703,791</u>	<u>\$ 1,681,777</u>

17. DONATED FOOD, SUPPLIES AND SERVICES:

The Food Bank records in-kind support including food, materials and professional services that are used primarily in the food operations program. Total in-kind support recorded for the years ended September 30, 2024 and 2023 is \$23,589 and \$40,895, respectively.

Valuation of donated food items is based on the approximate average wholesale value of one pound of donated product as calculated in the Product Valuation Survey Methodology December 31, 2023 and 2022 prepared by RSM for Feeding America. In fiscal year 2024, The Food Bank received approximately 17,029,557 pounds of food, and of this amount, approximately 6,843,433 pounds were donated. In fiscal year 2023, The Food Bank received approximately 14,208,379 pounds of food, and of this amount, approximately 5,688,471 pounds were donated.

Recognition of contributed materials is based on estimated fair value.

Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Food Bank recognized \$15,095 and \$26,632 of contributed services and \$8,494 and \$14,263 of special event in-kind goods and services for the years ended September 30, 2024 and 2023, respectively. In addition, a number of unpaid volunteers have made significant contributions of their time to The Food Bank. Volunteer hours totaling approximately 11,321 and 7,466 were donated to The Food Bank for the years ended September 30, 2024 and 2023, respectively. The services provided by these volunteers do not meet the requirements for being recognized and, therefore are not reflected in these consolidated financial statements.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

18. RETIREMENT PLAN:

The Food Bank has a 403(b) retirement plan (the "Plan") for all eligible employees. Under this Plan, the Organization contributed a matching contribution of up to 3% of eligible wages in fiscal year 2024 and 2023. The expense under this Plan for the years ended September 30, 2024 and 2023 totaled \$91,334 and \$79,637, respectively.

In addition, in 2024 and 2023 the board approved a discretionary contribution of 3% of eligible wages for employees with one to three years of service and 5% of eligible wages for employees with greater than three years of service. The contribution under this amendment was \$196,711 and \$152,090 for the years ended September 30, 2024 and 2023, respectively.

19. LAND LEASES:

Bay Road Farm

The Organization leases a portion of land and a building located at 121 Bay Road, Hadley, Massachusetts ("The Food Bank Farm") to Mountain View Farms, LLC ("The Tenant"). The lease was renewed for the term commencing January 1, 2022 to December 31, 2024. Management is in the process of negotiating a three-year lease agreement through December 31, 2027. The Tenant shall pay rent to the Organization in the form of 32,000 pounds of produce harvested from The Food Bank Farm or Mountain View Farm for each lease year. The lease agreement gives the Tenant access to the leased premises during each lease year for agricultural production and maintenance purposes. The Organization may terminate this agreement effective December 31st of any year in the event the Organization provides notice to the Tenant by September 1st of such year that the Organization Board of Directors has resolved to sell all or a portion of the leased premises. The Tenant may terminate the agreement effective December 31st of any year in the event the Tenant provided notice to the Organization by September 1st of such year. As part of this transaction, the Organization agrees to restrict use of the land to agricultural purposes in perpetuity and provides an option to the Commonwealth of Massachusetts, acting through the Massachusetts Department of Agricultural Resources, to purchase the land at its fair market agricultural value, if the Organization were to sell it.

Shattuck Road Farm

On March 20, 2020, the Organization owns approximately 143 acres of land located at 32 Shattuck Road, Hadley, Massachusetts for use as a second farm. As part of this transaction, the Organization agrees to restrict use of the land to agricultural purposes in perpetuity and provides an option to the Commonwealth of Massachusetts, acting through the Massachusetts Department of Agricultural Resources, to purchase the land at its fair market agricultural value, if the Organization were to sell it.

On April 1, 2021, the Organization entered into two separate agreements to lease 16.75 and 18.5 tillable acres to Atlas Farm, LLC and Lakeside Organics of Hadley, LLC (the "Tenants"), respectively, until December 31, 2023. The lease agreements give the Tenants access to the leased premises during each lease year for agricultural production and maintenance purposes. Per the agreements, the Tenants shall pay rent to the Organization in the form of 16,750 and 11,914 pounds of produce harvested, respectively, from the leased premises or on other farm land for the lease year.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

19. LAND LEASES: (CONTINUED)

The agreements were renegotiated with the Tenants for the term March 1, 2024 to December 31, 2027 to lease 17.25 and 13.2 tillable acres, respectively. Per the new agreements, the Tenants shall pay rent to the Organization in the form of \$11,212 and \$8,580 of produce, respectively, (valued at wholesale market prices) harvested from the leased premises or on other farm land for the lease year. The Organization may terminate these agreements effective December 31st of any year in the event the Organization provides notice to the Tenants by September 1st of such year that the Organization Board of Directors has resolved to sell all or a portion of the leased premises. The Tenants may terminate the agreement effective December 31st of any year in the event the Tenants provided notice to the Organization by September 1st of such year. The agreements may be renewed at the end of the term.

20. CONTINGENCIES AND COMMITMENTS:

Compliance with contracts and agreements

Expenditures of funds provided by the various funding sources require compliance with terms and conditions specified in the related contracts and agreements. These expenditures are subject to audit by the contracting agencies. Any disallowed expenditures would become a liability of the Organization requiring repayment to the funding sources. Liabilities resulting from these audits, if any, will be recorded in the period in which the amount of liability is ascertained.

21. CONCENTRATION OF CREDIT RISK:

Cash risk

The Organization maintains its cash balances in financial institutions. These balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The Organization has not experienced any losses on these accounts and management monitors any credit risk that may exist with respect to these cash balances.

In addition, the Organization is covered by the Depositors Insurance Fund for amounts that exceed the FDIC limit. The Organization believes it is not exposed to any significant credit risk on cash and certificates of deposit.

Food risk

The Organization's consolidated financial statements are impacted by not only the price per pound of donated food (see Note 2) that varies year to year, but also by the volume of food received versus distributed during the year.

22. RELATED PARTY TRANSACTIONS:

During the years ended September 30, 2024 and 2023, certain members of the Board of Directors were also representatives of the Organization member agencies.

A member of the Board of Directors of the Organization is at a law firm that provides services to the Organization. The Organization paid \$6,556 and \$5,014 for services during the years ended September 30, 2024 and 2023, respectively.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

22. RELATED PARTY TRANSACTIONS: (CONTINUED)

A member of the Board of Directors of the Organization is a Vice President at a financial institution that provides banking services to the Organization. Interest income received from cash accounts and term deposits was \$470,797 and \$310,889 for the years ended September 30, 2024 and 2023, respectively.

23. SUBSEQUENT EVENTS:

In November and December 2024, the Food Bank purchased term deposits with four financial institutions in the total amount of \$3,145,000. Maturities of the term deposits range from five months to eighteen months and interest rates range from 4% to 4.55%.

In November 2024, the Food Bank added \$2,500,000 in the quasi-endowment investment account, to be invested over the next six months.

The Food Bank has evaluated events that have occurred subsequent to January 8, 2025, the date the consolidated financial statements were available to be issued.

CONSOLIDATING INFORMATION

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024**

ASSETS

	Food Bank Western MA	Support Corp	Consolidating Entries	Total
Current assets				
Cash	\$ 4,730,451	\$ 809,522	\$ -	\$ 5,539,973
Cash-restricted - current portion	350,510	-	-	350,510
Accounts and grants receivable	1,649,055	-	-	1,649,055
Pledges receivable, current	910,014	-	-	910,014
Inventory	1,381,298	-	-	1,381,298
Prepaid expenses	61,644	-	-	61,644
Total current assets	<u>9,082,972</u>	<u>809,522</u>	<u>-</u>	<u>9,892,494</u>
Property and equipment, net	<u>6,178,767</u>	<u>21,004,661</u>	<u>-</u>	<u>27,183,428</u>
Other assets				
Cash-board designated reserves	4,337,997	-	-	4,337,997
Cash-restricted	5,100	-	-	5,100
Pledges receivable, long-term, net	432,330	-	-	432,330
Leveraged loan receivable	14,786,800	-	-	14,786,800
Investments - quasi-endowments	2,913,012	-	-	2,913,012
Investment at Community Foundation	46,269	-	-	46,269
Prepaid ground lease	-	450,000	(450,000)	-
Operating lease ROU asset, net	17,376,879	-	(17,376,879)	-
Due from affiliate	<u>1,506,025</u>	<u>321,167</u>	<u>(1,827,192)</u>	<u>-</u>
Total other assets	<u>41,404,412</u>	<u>771,167</u>	<u>(19,654,071)</u>	<u>22,521,508</u>
Total assets	<u>\$ 56,666,151</u>	<u>\$ 22,585,350</u>	<u>\$ (19,654,071)</u>	<u>\$ 59,597,430</u>

LIABILITIES AND NET ASSETS

Current liabilities				
Accounts payable	\$ 233,247	\$ -	\$ -	\$ 233,247
Accrued expenses	508,152	261,877	-	770,029
Deferred revenue	476,850	-	(450,000)	26,850
Lease liability - current	206,000	-	(206,000)	-
Due to member agencies	<u>38,526</u>	<u>-</u>	<u>-</u>	<u>38,526</u>
Total current liabilities	<u>1,462,775</u>	<u>261,877</u>	<u>(656,000)</u>	<u>1,068,652</u>
Long term liabilities				
Long term debt - NMTC	-	20,440,000	-	20,440,000
Less: debt issuance costs, net	-	(253,361)	-	(253,361)
Lease liability - non-current, net	17,170,879	-	(17,170,879)	-
Due to affiliate	<u>321,167</u>	<u>1,506,025</u>	<u>(1,827,192)</u>	<u>-</u>
Total long term liabilities	<u>17,492,046</u>	<u>21,692,664</u>	<u>(18,998,071)</u>	<u>20,186,639</u>
Total liabilities	<u>18,954,821</u>	<u>21,954,541</u>	<u>(19,654,071)</u>	<u>21,255,291</u>
Net assets				
Without donor restrictions				
Operating	28,762,367	630,809	-	29,393,176
Board designated - quasi-endowments	2,913,012	-	-	2,913,012
Board designated - other reserves	<u>4,337,997</u>	<u>-</u>	<u>-</u>	<u>4,337,997</u>
	36,013,376	630,809	-	36,644,185
With donor restrictions	<u>1,697,954</u>	<u>-</u>	<u>-</u>	<u>1,697,954</u>
Total net assets	<u>37,711,330</u>	<u>630,809</u>	<u>-</u>	<u>38,342,139</u>
Total liabilities and net assets	<u>\$ 56,666,151</u>	<u>\$ 22,585,350</u>	<u>\$ (19,654,071)</u>	<u>\$ 59,597,430</u>

The accompanying notes are an integral part of these consolidated financial statements.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Food Bank Western MA	Support Corp	Consolidating Entries	Total
Revenue and support without donor restrictions				
Donated food	\$ 13,176,575	\$ -	\$ -	\$ 13,176,575
U.S.D.A. food	5,206,327	-	-	5,206,327
MEFAP food	5,143,223	-	-	5,143,223
Food buy-in program	249,042	-	-	249,042
Donations	2,850,906	-	-	2,850,906
In-kind contributions-professional services/other	23,589	-	-	23,589
Rent income	-	206,000	(206,000)	-
U.S.D.A. grant	507,275	-	-	507,275
MEFAP grant	155,500	-	-	155,500
Grants - corporate/foundations/other	2,575,633	-	-	2,575,633
Contract contributions	990,913	-	-	990,913
Membership fees, delivery fees, and miscellaneous	191,424	-	-	191,424
Interest income on notes	166,499	-	-	166,499
Shared maintenance fees agencies	76,827	-	-	76,827
Special events	981,357	-	-	981,357
Distribution from endowed funds at Community Foundation	56,400	-	-	56,400
Interest and dividends (investments)	155,453	590	-	156,043
Interest (term deposits)	383,815	-	-	383,815
Unrealized/realized gain on investments	526,393	-	-	526,393
Unrealized/realized gain on investment at Community Foundation, net	<u>8,746</u>	<u>-</u>	<u>-</u>	<u>8,746</u>
Total revenue and support	<u>33,425,897</u>	<u>206,590</u>	<u>(206,000)</u>	<u>33,426,487</u>
Expense				
Programs	30,751,728	816,456	(191,795)	31,376,389
Administration	1,263,549	60,510	(4,030)	1,320,029
Development	<u>1,857,658</u>	<u>-</u>	<u>(10,175)</u>	<u>1,847,483</u>
Total expense	<u>33,872,935</u>	<u>876,966</u>	<u>(206,000)</u>	<u>34,543,901</u>
Change in net assets without donor restrictions (operations)	<u>(447,038)</u>	<u>(670,376)</u>	<u>-</u>	<u>(1,117,414)</u>
Net assets released from restrictions (Note 16)	<u>1,703,791</u>	<u>-</u>	<u>-</u>	<u>1,703,791</u>
Change in net assets without restrictions	<u>1,256,753</u>	<u>(670,376)</u>	<u>-</u>	<u>586,377</u>
Net assets with donor restrictions				
Restricted contributions	378,065	-	-	378,065
Released from restrictions	<u>(1,703,791)</u>	<u>-</u>	<u>-</u>	<u>(1,703,791)</u>
Change in net assets with donor restrictions	<u>(1,325,726)</u>	<u>-</u>	<u>-</u>	<u>(1,325,726)</u>
Change in net assets	<u>(68,973)</u>	<u>(670,376)</u>	<u>-</u>	<u>(739,349)</u>
Net assets, beginning of year	<u>37,780,303</u>	<u>1,301,185</u>	<u>-</u>	<u>39,081,488</u>
Net assets, end of year	<u>\$ 37,711,330</u>	<u>\$ 630,809</u>	<u>\$ -</u>	<u>\$ 38,342,139</u>

The accompanying notes are an integral part of these consolidated financial statements

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATING SCHEDULE OF EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Food Bank Total	Support Corp Total	Consolidating Entries	Total
Salaries and related expenses				
Salaries	\$ 4,351,022	\$ -	\$ -	\$ 4,351,022
Employee benefits	873,404	-	-	873,404
Payroll taxes	<u>339,425</u>	<u>-</u>	<u>-</u>	<u>339,425</u>
Total salaries and related benefits	<u>5,563,851</u>	<u>-</u>	<u>-</u>	<u>5,563,851</u>
Food				
Donated food	12,899,025	-	-	12,899,025
MEFAP food	5,119,737	-	-	5,119,737
Purchased and discarded food	1,395,481	-	-	1,395,481
U.S.D.A. food	<u>5,479,043</u>	<u>-</u>	<u>-</u>	<u>5,479,043</u>
Total food	<u>24,893,286</u>	<u>-</u>	<u>-</u>	<u>24,893,286</u>
Other expenses				
Asset management fees - NMTC	-	110,959	-	110,959
Consultants	126,038	-	-	126,038
Depreciation	309,773	527,188	-	836,961
Direct mail	29,895	-	-	29,895
Fees and subscriptions	89,414	-	-	89,414
Freight	59,411	-	-	59,411
In-kind expense - professional services/other	23,589	-	-	23,589
Insurance	150,963	-	-	150,963
Interest expense (debt issuance)	-	7,726	-	7,726
Interest expense	417	231,093	-	231,510
Internet services and information technology	121,829	-	-	121,829
Legal and accounting	57,757	-	-	57,757
Office expenses and equipment	346,995	-	(206,000)	140,995
Postage and printing	65,144	-	-	65,144
Program expenses	383,101	-	-	383,101
Public relations/advertising	25,722	-	-	25,722
Repairs and maintenance	245,196	-	-	245,196
Special events	59,043	-	-	59,043
Staff training and conferences	49,503	-	-	49,503
Supplies	733,333	-	-	733,333
Telephone and telecommunications	60,911	-	-	60,911
Temporary help	257,598	-	-	257,598
Transportation and travel	36,229	-	-	36,229
Utilities	115,913	-	-	115,913
Vehicle expense	<u>68,024</u>	<u>-</u>	<u>-</u>	<u>68,024</u>
Total other expenses	<u>3,415,798</u>	<u>876,966</u>	<u>(206,000)</u>	<u>4,086,764</u>
Total expense	<u>\$ 33,872,935</u>	<u>\$ 876,966</u>	<u>\$ (206,000)</u>	<u>\$ 34,543,901</u>

The accompanying notes are an integral part of these consolidated financial statements

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023**

ASSETS

	Food Bank Western MA	Support Corp	Consolidating Entries	Total
Current assets				
Cash	\$ 1,613,547	\$ 2,556,878	\$ -	\$ 4,170,425
Cash-restricted - current portion	354,273	-	-	354,273
Term deposits	8,199,549			8,199,549
Accounts and grants receivable	304,297	115,167	(115,167)	304,297
Pledges receivable, current	1,363,930	-	-	1,363,930
Inventory	1,663,990	-	-	1,663,990
Prepaid expenses	143,699	-	-	143,699
Total current assets	<u>13,643,285</u>	<u>2,672,045</u>	<u>(115,167)</u>	<u>16,200,163</u>
Property and equipment, net	<u>3,890,482</u>	<u>20,731,195</u>	<u>-</u>	<u>24,621,677</u>
Other assets				
Cash-board designated reserves	2,014,023	-	-	2,014,023
Cash-restricted	5,100	-	-	5,100
Pledge receivable, long-term, net	1,300,377	-	-	1,300,377
Leveraged loan receivable	14,786,800	-	-	14,786,800
Investments - quasi-endowments	2,318,647	-	-	2,318,647
Investment at Community Foundation	37,523	-	-	37,523
Prepaid ground lease	-	450,000	(450,000)	-
Operating lease ROU asset, net	17,582,879	-	(17,582,879)	-
Due from affiliate	1,367,785	-	(1,367,785)	-
Total other assets	<u>39,413,134</u>	<u>450,000</u>	<u>(19,400,664)</u>	<u>20,462,470</u>
Total assets	<u>\$ 56,946,901</u>	<u>\$ 23,853,240</u>	<u>\$ (19,515,831)</u>	<u>\$ 61,284,310</u>

LIABILITIES AND NET ASSETS

Current liabilities				
Accounts payable	\$ 733,175	\$ -	\$ (115,167)	\$ 618,008
Accrued expenses	335,229	1,005,357	-	1,340,586
Deferred revenue	474,300	-	(450,000)	24,300
Lease liability - current	206,000	-	(206,000)	-
Due to member agencies	41,015	-	-	41,015
Total current liabilities	<u>1,789,719</u>	<u>1,005,357</u>	<u>(771,167)</u>	<u>2,023,909</u>
Long term liabilities				
Long term debt - NMTC	-	20,440,000	-	20,440,000
Less: debt issuance costs, net	-	(261,087)	-	(261,087)
Lease liability - non-current, net	17,376,879	-	(17,376,879)	-
Due to affiliate	-	1,367,785	(1,367,785)	-
Total long term liabilities	<u>17,376,879</u>	<u>21,546,698</u>	<u>(18,744,664)</u>	<u>20,178,913</u>
Total liabilities	<u>19,166,598</u>	<u>22,552,055</u>	<u>(19,515,831)</u>	<u>22,202,822</u>
Net assets				
Without donor restrictions				
Operating	30,423,953	1,301,185	-	31,725,138
Board designated - quasi-endowments	2,318,647	-	-	2,318,647
Board designated - other reserves	2,014,023	-	-	2,014,023
	34,756,623	1,301,185	-	36,057,808
With donor restrictions	3,023,680	-	-	3,023,680
Total net assets	<u>37,780,303</u>	<u>1,301,185</u>	<u>-</u>	<u>39,081,488</u>
Total liabilities and net assets	<u>\$ 56,946,901</u>	<u>\$ 23,853,240</u>	<u>\$ (19,515,831)</u>	<u>\$ 61,284,310</u>

The accompanying notes are an integral part of these consolidated financial statements.

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Food Bank Western MA	Support Corp	Consolidating Entries	Total
Revenue and support without donor restrictions				
Donated food	\$ 10,701,135	\$ -	\$ -	\$ 10,701,135
U.S.D.A. food	4,171,062	-	-	4,171,062
MEFAP food	4,025,631	-	-	4,025,631
Food buy-in program	277,119	-	-	277,119
Donations	3,652,330	-	-	3,652,330
In-kind contributions-professional services/other	40,895	-	-	40,895
Rent income	-	115,167	(115,167)	-
U.S.D.A. grant	1,046,181	-	-	1,046,181
MEFAP grant	145,425	-	-	145,425
Grants - corporate/foundations/other	4,957,153	-	-	4,957,153
Contract contributions	886,742	-	-	886,742
Gain on sale of assets	232,172	-	-	232,172
Membership & delivery fees, and miscellaneous	29,604	-	-	29,604
Interest income on notes	166,742	-	-	166,742
Shared maintenance fees- agencies	64,225	-	-	64,225
Special events	1,046,381	-	-	1,046,381
Distribution from endowed funds at Community Foundation	54,600	-	-	54,600
Interest and dividends (investments)	165,868	8,526	-	174,394
Interest (term deposits)	199,549	-	-	199,549
Unrealized/realized loss on investments	216,331	-	-	216,331
Unrealized/realized loss on investment at Community Foundation, net	4,198	-	-	4,198
Total revenue and support	<u>32,083,343</u>	<u>123,693</u>	<u>(115,167)</u>	<u>32,091,869</u>
Expense				
Programs	24,440,669	-	(107,221)	24,333,448
Administration	1,168,692	65,747	(2,303)	1,232,136
Development	1,512,614	-	(5,643)	1,506,971
Total expense	<u>27,121,975</u>	<u>65,747</u>	<u>(115,167)</u>	<u>27,072,555</u>
Change in net assets without donor restrictions (operations)	4,961,368	57,946	-	5,019,314
Net assets released from restrictions (Note 16)	<u>1,681,777</u>	<u>-</u>	<u>-</u>	<u>1,681,777</u>
Change in net assets without restrictions	<u>6,643,145</u>	<u>57,946</u>	<u>-</u>	<u>6,701,091</u>
Net assets with donor restrictions				
Restricted contributions	1,199,170	-	-	1,199,170
Released from restrictions	<u>(1,681,777)</u>	<u>-</u>	<u>-</u>	<u>(1,681,777)</u>
Change in net assets with donor restrictions	<u>(482,607)</u>	<u>-</u>	<u>-</u>	<u>(482,607)</u>
Change in net assets	6,160,538	57,946	-	6,218,484
Net assets, beginning of year	<u>31,619,765</u>	<u>1,243,239</u>	<u>-</u>	<u>32,863,004</u>
Net assets, end of year	<u>\$ 37,780,303</u>	<u>\$ 1,301,185</u>	<u>\$ -</u>	<u>\$ 39,081,488</u>

The accompanying notes are an integral part of these consolidated financial statements

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**CONSOLIDATING SCHEDULE OF EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Food Bank Total	Support Corp Total	Consolidating Entries	Total
Salaries and related expenses				
Salaries	\$ 3,702,707	\$ -	\$ -	\$ 3,702,707
Employee benefits	695,570	-	-	695,570
Payroll taxes	<u>286,888</u>	<u>-</u>	<u>-</u>	<u>286,888</u>
Total salaries and related benefits	<u>4,685,165</u>	<u>-</u>	<u>-</u>	<u>4,685,165</u>
Food				
Donated food	10,684,566	-	-	10,684,566
MEFAP food	4,006,397	-	-	4,006,397
Purchased and discarded food	1,449,031	-	-	1,449,031
U.S.D.A. food	<u>3,587,453</u>	<u>-</u>	<u>-</u>	<u>3,587,453</u>
Total food	<u>19,727,447</u>	<u>-</u>	<u>-</u>	<u>19,727,447</u>
Other expenses				
Consultants	112,941	-	-	112,941
Depreciation	298,959	43,281	-	342,240
Direct mail	20,803	-	-	20,803
Fees and subscriptions	73,159	-	-	73,159
Freight	41,536	-	-	41,536
In-kind expense - professional services/other	40,895	-	-	40,895
Insurance	78,420	-	-	78,420
Interest expense (debt issuance)	-	7,726	-	7,726
Internet services and information technology	71,958	-	-	71,958
Legal and accounting	48,063	-	-	48,063
Equipment and office expenses	272,534	-	(115,167)	157,367
Postage and printing	38,317	-	-	38,317
Program expenses	218,059	-	-	218,059
Public relations/advertising	16,839	-	-	16,839
Repairs and maintenance	200,524	14,740	-	215,264
Special events	41,132	-	-	41,132
Staff training and conferences	43,600	-	-	43,600
Supplies	625,864	-	-	625,864
Telephone and telecommunications	52,431	-	-	52,431
Temporary help	130,850	-	-	130,850
Transportation and travel	31,247	-	-	31,247
Utilities	166,814	-	-	166,814
Vehicle expense	<u>84,418</u>	<u>-</u>	<u>-</u>	<u>84,418</u>
Total other expenses	<u>2,709,363</u>	<u>65,747</u>	<u>(115,167)</u>	<u>2,659,943</u>
Total expense	<u>\$ 27,121,975</u>	<u>\$ 65,747</u>	<u>\$ (115,167)</u>	<u>\$ 27,072,555</u>

The accompanying notes are an integral part of these consolidated financial statements

SUPPLEMENTARY INFORMATION

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture, Food and Nutrition Services -			
Farm to School Grant Program	10.575	218MA602L3203	\$ <u>5,243</u>
<i>Pass-Through Massachusetts Department of Education</i>			
Emergency Food Assistance Program - Food Commodities	10.569		5,206,327
Emergency Food Assistance Program - Administrative Costs	10.568	SCDOE16758N70532126A	<u>507,275</u>
Total Food Distribution Cluster			<u>5,718,845</u>
<i>Pass-Through Massachusetts Department of Transitional Assistance</i>			
<i>UMass Medical School</i>			
Supplemental Nutrition Assistance Program (SNAP)	10.551		741,830
<i>Pass-through Massachusetts Department of Transitional Assistance</i>			
State Administrative Matching Grants for SNAP	10.561	4003064FOODBANKWE23	<u>249,083</u>
Total SNAP Cluster			<u>990,913</u>
 Total U.S Department of Agriculture, Food and Nutrition Services			 <u>6,709,758</u>
U.S. Department of Housing and Urban Development			
Economic Development Initiative Community Project	14.251	B-22-CP-MA-0376	<u>1,361,782</u>
 Total Expenditures of Federal Awards			 \$ <u>8,071,540</u>

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of The Food Bank of Western Massachusetts, Inc. ("The Food Bank") under programs of the federal government for the year ended September 30, 2024. 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.

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. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. PASS-THROUGH STATE AGENCIES:

Expenditures of federal awards for funds passed through state agencies are based on information provided by the state agencies involved.

4. INDIRECT COST RATE:

The Food Bank elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. Indirect cost rates are determined in the contract agreements with the passthrough entities.

5. SUBRECIPIENTS:

There were no payments to subrecipients in any of the federal awards programs during the year ended September 30, 2024.



MeyersBrothersKalicka, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS STRATEGISTS

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

To the Board of Directors of
The Food Bank of Western Massachusetts, Inc. and Affiliate

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 Food Bank of Western Massachusetts, Inc. and Affiliate (a nonprofit "Organization"), which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities, 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 January 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered The Food Bank of Western Massachusetts, Inc. and Affiliate'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 of Western Massachusetts, Inc. and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 may exist that have not been identified.

Report on Compliance and Other Matters

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

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 of Western Massachusetts, Inc. and Affiliate'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 of Western Massachusetts, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Myers Brothers Kalichka, P.C.

Holyoke, Massachusetts
January 8, 2025



MeyersBrothersKalicka, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS STRATEGISTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAMS AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
The Food Bank of Western Massachusetts, Inc and Affiliate

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Food Bank of Western Massachusetts, Inc. and Affiliate compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Food Bank of Western Massachusetts, Inc. and Affiliate's major federal programs for the year ended September 30, 2024. The Food Bank of Western Massachusetts, Inc. and Affiliate's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Food Bank of Western Massachusetts, Inc. and Affiliate's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2024.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Food Bank of Western Massachusetts, Inc. and Affiliate's 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 of Western Massachusetts, Inc. and Affiliate'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 of Western Massachusetts, Inc. and Affiliate's federal programs.

Auditors' 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 of Western Massachusetts, Inc. and Affiliate'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 of Western Massachusetts, Inc. and Affiliate'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 of Western Massachusetts, Inc. and Affiliate's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding The Food Bank of Western Massachusetts, Inc. and Affiliate'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 of Western Massachusetts, Inc. and Affiliate'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 Auditors' 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.

Myrus Brothers Kalicka, P.C.

Holyoke, Massachusetts
January 8, 2025

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Section I - Summary of Auditors' Results

Consolidated Financial Statements

Type of report the auditor's issued on whether the consolidated financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? No
Significant deficiency(ies) identified? None reported

Noncompliance material to consolidated financial statements noted? No

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified? No
Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? No

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
	Food Distribution Cluster:
10.568	Emergency Food Assistance Program (Administrative Costs)
10.569	Emergency Food Assistance Program (Food Commodities)
14.251	Economic Development Initiative (Community Project)

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

Auditee qualified as low-risk auditee? Yes

Section II – Consolidated Financial Statement Findings

No matters are reportable

Section III - Federal Award Findings and Questioned Costs

No matters are reportable

THE FOOD BANK OF WESTERN MASSACHUSETTS, INC. AND AFFILIATE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2024

There were no findings or questioned costs for the year ended September 30, 2023.