Foodbank®

St. Louis Area Foodbank

FISCAL YEAR 2025 AUDIT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
St. Louis Area Food Bank, Inc.

Opinion

We have audited the accompanying financial statements of St. Louis Area Food Bank, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Louis Area Food Bank, Inc. as of June 30, 2025 and 2024, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Louis Area Food Bank, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 51 - 65 is presented for purposes of additional analysis and is not a required part of the financial statements. Additionally, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 March 4, 2026, on our consideration of the Organization'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 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 Organization'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 Organization's internal control over financial reporting and compliance.

Amanino LLP

St. Louis, Missouri

March 4, 2026

St. Louis Area Food Bank, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 11,096,760	$ 7,965,708
Accounts receivable, net	125,416	128,582
Grants receivable	846,831	1,132,128
Current portion of unconditional promises to give	255,056	683,464
Inventory	6,895,690	5,260,140
Prepaid expenses and other current assets	432,444	198,254
Investments - operating	2,341	12,727
Total current assets	19,654,538	15,381,003
Long-term assets		
Investments - board designated	20,318,683	18,214,859
Investments - endowment	7,300,758	6,457,278
Operating lease right-of-use asset	45,792	45,792
Property and equipment, net	9,958,646	10,185,407
Total long-term assets	37,623,879	34,903,336
Total assets	$ 57,278,417	$ 50,284,339
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 642,826	$ 688,661
Accrued expenses	661,793	810,060
Current maturities of operating lease obligations	15,619	16,803
Current maturities of finance lease obligations	313,171	285,549
Deferred revenue	41,999	-
Other current liabilities	2,545	-
Total current liabilities	1,677,953	1,801,073
Long-term liabilities		
Long-term operating lease obligations	13,152	28,771
Long-term finance lease obligations	338,688	640,332
Total long-term liabilities	351,840	669,103
Total liabilities	2,029,793	2,470,176
Net assets		
Without donor restrictions		
Board designated endowment	7,300,758	6,457,278
Board designated reserves	20,318,683	18,214,859
Invested in property and equipment, net of debt	9,306,787	9,259,256
Undesignated, available for operations	15,594,784	12,719,850
Total without donor restrictions	52,521,012	46,651,243
With donor restrictions	2,727,612	1,162,920
Total net assets	55,248,624	47,814,163
Total liabilities and net assets	$ 57,278,417	$ 50,284,339

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

St. Louis Area Food Bank, Inc.
Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue, and gains			
Program fees	$ 577,024	$ -	$ 577,024
Contributions	10,336,167	3,677,484	14,013,651
Government grants	7,207,942	-	7,207,942
Investment income, net	3,147,326	-	3,147,326
Other revenue	191,288	-	191,288
Consumable product donations/receipts	73,456,947	-	73,456,947
Net assets released from restriction	2,112,792	(2,112,792)	-
Total support, revenue, and gains	97,029,486	1,564,692	98,594,178
Functional expenses			
Program services	85,527,559	-	85,527,559
Support services			
Management and general	3,636,359	-	3,636,359
Fundraising	1,995,799	-	1,995,799
Total support services	5,632,158	-	5,632,158
Total functional expenses	91,159,717	-	91,159,717
Change in net assets	5,869,769	1,564,692	7,434,461
Net assets, beginning of year	46,651,243	1,162,920	47,814,163
Net assets, end of year	$ 52,521,012	$ 2,727,612	$ 55,248,624

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

St. Louis Area Food Bank, Inc.
Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue, and gains			
Program fees	$ 535,993	$ -	$ 535,993
Contributions	11,653,929	1,833,680	13,487,609
Government grants	5,140,795	-	5,140,795
Investment income, net	3,041,211	-	3,041,211
Other revenue	182,297	-	182,297
Consumable product donations/receipts	78,841,196	-	78,841,196
Net assets released from restriction	1,297,942	(1,297,942)	-
Total support, revenue, and gains	100,693,363	535,738	101,229,101
Functional expenses			
Program services	89,511,733	-	89,511,733
Support services			
Management and general	2,165,522	-	2,165,522
Fundraising	1,582,587	-	1,582,587
Total support services	3,748,109	-	3,748,109
Total functional expenses	93,259,842	-	93,259,842
Change in net assets	7,433,521	535,738	7,969,259
Net assets, beginning of year	39,217,722	627,182	39,844,904
Net assets, end of year	$ 46,651,243	$ 1,162,920	$ 47,814,163

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

St. Louis Area Food Bank, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Expenses				
Salaries and related items	$ 4,152,813	$ 2,343,236	$ 1,154,272	$ 7,650,321
Professional fees	20,196	546,544	-	566,740
Supplies	341,455	19,804	2,451	363,710
Telephone	81,221	33,895	11,014	126,130
Postage and shipping	1,448	3,284	24,181	28,913
Occupancy	625,251	13,694	7,328	646,273
Rental and maintenance	330,932	187,557	42,914	561,403
Printing and publications	22,405	61,410	723,202	807,017
Meetings and travel	50,008	25,219	1,460	76,687
Food and product distribution	77,568,715	-	-	77,568,715
Fleet management	855,966	900	237	857,103
Grants to agencies	55,807	13,145	-	68,952
Miscellaneous	166,492	168,335	844	335,671
Insurance	308,159	74,213	4,204	386,576
Dues	3,910	111,910	-	115,820
Total expenses before depreciation and amortization	84,584,778	3,603,146	1,972,107	90,160,031
Depreciation and amortization	942,781	33,213	23,692	999,686
	$ 85,527,559	$ 3,636,359	$ 1,995,799	$ 91,159,717
Percentage of total	93.8 %	4.0 %	2.2 %	100.0 %

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

St. Louis Area Food Bank, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services	Management and General	Fundraising	Total
Expenses				
Salaries and related items	$ 5,322,999	$ 1,340,847	$ 834,829	$ 7,498,675
Professional fees	36,287	173,125	1,981	211,393
Supplies	304,153	14,554	1,765	320,472
Telephone	65,934	30,170	7,323	103,427
Postage and shipping	662	22,364	6,015	29,041
Occupancy	641,668	28,008	5,503	675,179
Rental and maintenance	261,554	162,193	11,858	435,605
Printing and publications	49,386	24,005	657,092	730,483
Meetings and travel	48,962	35,469	9,701	94,132
Food and product distribution	80,672,510	-	-	80,672,510
Fleet management	729,323	4,180	958	734,461
Grants to agencies	120,265	4,122	-	124,387
Miscellaneous	6,284	175,879	16,351	198,514
Insurance	321,933	20,830	4,734	347,497
Dues	14,220	97,444	1,467	113,131
Total expenses before depreciation and amortization	88,596,140	2,133,190	1,559,577	92,288,907
Depreciation and amortization	915,593	32,332	23,010	970,935
	$ 89,511,733	$ 2,165,522	$ 1,582,587	$ 93,259,842
Percentage of total	96.0 %	2.3 %	1.7 %	100 %

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

St. Louis Area Food Bank, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 7,434,461	$ 7,969,259
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	999,686	970,935
Realized and unrealized gains on investments	(2,437,665)	(2,257,090)
Loss (Gain) on disposal of property and equipment	41,660	(3,500)
Donated securities	131,888	210,077
Reduction of right of use asset	-	16,803
Changes in operating assets and liabilities		
Accounts receivable, net	3,046	(12,439)
Grants receivable	285,297	(836,405)
Unconditional promises to give	428,408	(56,282)
Inventory	(1,635,550)	(1,481,823)
Prepaid expenses and other current assets	(234,190)	160,323
Accounts payable	(45,835)	(929,956)
Accrued expenses	(148,267)	173,431
Deferred revenue	42,119	-
Operating lease liability	(16,803)	(17,021)
Other liabilities	2,545	-
Net cash provided by operating activities	4,850,800	3,906,312
Cash flows from investing activities		
Proceeds from sales of investments	9,226,099	1,416,466
Purchases of investments	(9,857,240)	(2,125,662)
Proceeds from sale of property and equipment	-	15,500
Purchases of property and equipment	(814,585)	(168,343)
Net cash used in investing activities	(1,445,726)	(862,039)
Cash flows from financing activities		
Payments of finance lease obligations	(274,022)	(261,039)
Net cash used in financing activities	(274,022)	(261,039)
Net increase in cash and cash equivalents	3,131,052	2,783,234
Cash and cash equivalents, beginning of year	7,965,708	5,182,474
Cash and cash equivalents, end of year	$ 11,096,760	$ 7,965,708

Supplemental disclosure of cash flow information

Cash paid during the year for interest	$ 41,099	$ 64,174

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

St. Louis Area Food Bank, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

1. NATURE OF OPERATIONS

St. Louis Area Food Bank, Inc. (the "Organization") is a not-for-profit organization established to collect, warehouse, and distribute food and household items to social service agencies for food and product distribution and on-site programs. The Organization receives funding from federal and state governing agencies along with contributions from various grantors and donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The accompanying financial statements have been prepared in accordance with the provisions of the Financial Accounting Standards Board, Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, nongovernmental accounting principles generally accepted in the United States of America ("U.S. GAAP"). All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

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

- *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Directors and represent net assets without donor restrictions that have been set aside to help ensure the financial stability of the Organization. These funds shall be utilized only when costs cannot be otherwise funded by operations or specific donations. The Board has designated an endowment for long-term strategy, as noted at footnote 10, in the amount of $7,300,758 and $6,457,278 as of June 30, 2025 and 2024 , respectively. The Board has designated an operating reserve in order to maintain ongoing operations and programs, if needed, in the amount of $20,318,683 and $18,214,859 as of June 30, 2025 and 2024, respectively.
- *Net assets with donor restrictions* - Net assets received with donor or grantor stipulations that limit the use of the donated assets. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When stipulated time restrictions expire or purpose restrictions are met, these net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity with use of income for general operations or donor-restricted purposes. The income earned on any related investments may be subject to donor-imposed stipulations. The Organization had no net assets with donor restrictions that were perpetual in nature as of June 30, 2025 and 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

The Organization considers assets without donor restrictions or board designations that are highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash accounts with a major domestic, high credit quality financial institution. Amounts held in financial institutions are occasionally in excess of the Federal Deposit Insurance Corporation (FDIC) limits of $250,000; however, management believes the Organization is not exposed to significant risk at their banking institution.

Fair value measurements

The Organization follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

Investments

The Organization carries investments at fair value with unrealized holding gains and losses included in earnings. Realized gains and losses are included in earnings and are derived using the average cost method for determining the cost of securities sold. Dividend and interest income is recognized when earned. Investment income (e.g. interest, dividends, fees, unrealized gains and losses, and realized gains and losses) with donor-imposed restrictions that are met in the same year as earned are reported as net assets without donor restrictions.

The Organization maintains its investments primarily with one brokerage firm. Securities held at this firm are insured by the Securities Investor Protection Corporation up to $500,000; however, management believe the Organization is not exposed to significant risk at their brokerage firm.

Accounts receivable

Accounts receivable are uncollateralized obligations due primarily for shared maintenance fees from member agencies under normal trade terms generally requiring payment within 30 days of the invoice date. Accounts receivable was $125,416, $128,582, and $116,143 at June 30, 2025, June 30, 2024, and June 30, 2023, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable (continued)

The Organization recognizes an allowance for expected credit losses ("AECL") on accounts receivable, related to accounts receivable, in an amount equal to the current expected credit losses. The estimation of the AECL is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and reasonable and supportable expectations of future conditions, as well as an expense associated with the AECL. Management provides for probable uncollectible amounts through a charge to expenses and a credit to the AECL. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the AECL and a credit to accounts receivable. The allowance for expected credit losses was $1,200 and $14,285 for the years ended June 30, 2025 and 2024, respectively. The activity (including write-offs, allowance adjustments, and bad debt recoveries) that occurred during these years was not material to the financial statements.

Grants receivable

Grants receivable includes amounts due from various funding agencies under binding contracts with the Organization for services rendered or expenses incurred prior to year-end. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. 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 grants receivable. The Organization considers grants receivable to be fully collectible; accordingly, no allowance for uncollectible grants receivable is deemed necessary.

Unconditional promises to give

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free interest rates applicable to the years in which the promises are to be received. All unconditional promises to give, as of June 30, 2025 and 2024, are considered due within one year or less, therefore are shown as current on the statements of financial position.

The Organization provides an allowance for uncollectible promises to give equal to the estimated losses that will be incurred in the collection of unconditional promises to give. This estimate is based on historical experience coupled with a review of the current status of existing promises. The allowance and associated promises are reduced when the promises are determined to be uncollectible. The Organization considers unconditional promises to give to be fully collectible; accordingly, no allowance for uncollectible promises to give is deemed necessary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

The Organization's inventory consists of donated food items, USDA product, and purchased product. The donated products received and distributed by the Organization have been valued and recorded in the accompanying financial statements in accordance with the FASB's guidance on accounting for contributions received and contributions made. Donated products are valued at fair value using product distribution pricing guidelines provided by Feeding America, a national consortium of regional food banks. The estimated fair value prices per pound of $1.90 and $1.72 were used in determining general donated and federal government donated product, respectively, as of June 30, 2025. The estimated fair value prices per pound of $1.97 and $1.74 were used in determining general donated and federal government donated product, respectively, as of June 30, 2024.

Property and equipment

Property and equipment acquisitions with a cost in excess of $5,000 are capitalized and recorded at cost, while maintenance and repairs are expensed as incurred. Donated assets are recorded at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Major additions and improvements are capitalized, while maintenance and repairs are expensed as incurred. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Amortization is computed using the straight-line method over the lesser of the length of the related lease or the estimated useful life of the asset.

The estimated lives for computing depreciation on property and equipment are:

Buildings and improvements	5-40 years
Machinery and equipment	5-20 years
Vehicles	2-10 years
Office equipment	2-15 years

Long-lived asset impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2025 and 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Organization has operating leases for copiers and finance leases for vehicles. As of July 1, 2022, operating leases are required to be included in right-of-use ("ROU") assets and lease liabilities on the statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability, plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received and any impairment recognized. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. For operating leases with a term of one year or less, the Organization has elected to not recognize a lease liability or ROU asset on the statement of financial position. Instead, lease payments are recognized as expenses on a straight-line basis over the lease term.

The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract or when the terms of an existing contract are changed. Finance and operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, the Organization uses the risk free rate commensurate with the lease term based on the information available at commencement date in determining the present value of lease payments. The lease ROU asset also includes any lease payments made and excludes lease incentives. Option periods are included in the ROU asset and liability when it is reasonably certain the option will be exercised. Rent expense for lease payments is recognized on a straight-line basis over the lease term.

For any lease agreements with lease and non-lease components, the Organization has elected to apply the practical expedient that allows leases and their associated maintenance services to be accounted for as a single combined operating lease component. The Organization is a lessee in a lease agreement with third parties that do not contain material restrictions or covenants in their lease agreements, sale-leaseback transactions, land easements or residual value guarantees.

Deferred revenue

Deferred revenue consists of payments received for programmatic distributions received but not yet earned. These payments will be recognized as revenue in the period in which they are earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Support and revenue

Contributions are recorded as received, and unconditional promises to give are recorded as the promise is made. Promises to give are considered conditional when a measurable barrier and right of return or release exists. The promises to give become unconditional and are recognized as revenue when the barriers upon which they depend are overcome. When the satisfaction of a barrier is accomplished in the same period that the contribution is made, conditional contributions are recorded as unconditional. All contributions are available for general activities unless specifically restricted by the donor. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions in which the restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

Program revenue consists of buying club revenue and shared maintenance fees. Buying club revenue is recognized at a point in time, when the partner agencies purchase food. Shared maintenance fees are recognized over time as the maintenance, delivery, or handling service is performed.

Government grants and contracts are generally recognized as revenue in the period that the measurable barrier is overcome (i.e. specific services are provided or the qualified expenses are incurred).

Donated materials and services

Donated noncash assets are recorded as contributions at their fair values at the date of donation. Significant food products, services, and materials are donated to the Organization by various individuals, organizations, and state governments. The Organization reports the fair value of donated food over which it has control (i.e., variance power) as consumable product donations/receipts, without donor restrictions, and immediately thereafter, as food and product distributions when donated to agencies and partners. Other donated goods and services meeting recognition criteria under U.S. GAAP are also recorded as contributions and as expense, based on estimated fair values. The Organization did not monetize any contributed nonfinancial assets and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no donated services recognized in the financial statements as of June 30, 2025 and 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional expense allocation

The costs of program services and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classifications. Certain categories of expenses are attributed to more than one program or supporting function; therefore, expenses require allocation on a reasonable basis that is consistently applied.

Expenses related to the building and grounds as a whole are allocated on a square footage basis such as insurance, occupancy, rental and maintenance, cleaning supplies, and depreciation. Salaries and related items, printing, and supplies are allocated on the basis of estimates of time and effort. Other expenses that occur when distribution costs are incurred are allocated based on the pounds distributed such as warehouse supplies and trash.

Income tax status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"), except on net income derived from unrelated business activities as defined in the Code. Accordingly, the Organization files as a tax exempt organization.

The Organization follows guidance issued by the FASB on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions.

Reclassifications

Certain amounts on the 2024 financial statements have been reclassified, where appropriate, to conform to the financial statement presentation used in 2025. Changes in net assets are unchanged due to these reclassifications.

Subsequent events

Management has evaluated subsequent events through March 4, 2026, the date which the financial statements were available for issue and has reflected all events requiring adjustment or disclosure in the financial statements. No subsequent events have occurred that would have material impact on the presentation of the Organization's financial statements.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board approves that action.

As of June 30, the following were financial assets available to meet cash needs for expenditures within one year:

	2025	2024
Cash and cash equivalents	$ 11,096,760	$ 7,965,708
Accounts receivable, net	125,416	128,582
Grants receivable	846,831	1,132,128
Current portion of unconditional promises to give	255,056	683,464
Investments, at fair value	27,621,782	24,684,864
Donor restrictions (excluding timing restrictions over 1 year)	(2,472,556)	(479,455)
Board designations (endowment and operating reserve)	(27,619,441)	(24,672,137)
	$ 9,853,848	$ 9,443,154

The Organization's primary sources of support are contributions, grants, and income from investing its endowment and reserve. Some support is required to be used in accordance with the purpose restrictions imposed by the donors. The Organization has certain board designated and donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. As part of a liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserves. If considered necessary, the Board could approve the use of the Board designated operating reserve or endowment.

To further manage liquidity, the Organization maintains a $1,500,000 line of credit with a bank that is drawn upon as needed during the year to manage cash flow. There were no draws on the line of credit during fiscal years 2025 or 2024. See footnote 8 for more information.

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2, and 3. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

4. FAIR VALUE MEASUREMENTS (continued)

- *Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets.
- *Level 2* - Inputs to the valuation methodology to include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, inputs other than quoted prices that are observable for the instrument, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- *Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The instruments' 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value:

- Mutual funds as well as fixed income securities, alternative securities, hedge funds, equities, exchange traded funds, are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities Exchange Commission ("SEC"). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds, fixed income securities, and alternative securities held by the Organization are deemed to be actively traded.

4. FAIR VALUE MEASUREMENTS (continued)

The following table presents the fair value measurements of instruments recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at June 30, 2025:

	Level 1	Level 2	Level 3	Fair Value
Mutual funds	$ 16,459,823	$ -	$ -	$ 16,459,823
Fixed income	9,589,384	-	-	9,589,384
Alternative	1,369,127	-	-	1,369,127
	$ 27,418,334	$ -	$ -	27,418,334
Money market funds				203,448
				$ 27,621,782

The following table presents the fair value measurements of instruments recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at June 30, 2024:

	Level 1	Level 2	Level 3	Fair Value
Mutual funds	$ 14,433,728	$ -	$ -	$ 14,433,728
Fixed income	7,839,696	-	-	7,839,696
Alternative	1,208,964	-	-	1,208,964
	$ 23,482,388	$ -	$ -	23,482,388
Money market funds				1,202,476
				$ 24,684,864

5. INVESTMENTS

A summary of the cost and fair value of the Organization's investments as of June 30, 2025 is as follows:

	Cost	Unrealized Gains (Losses)	Fair Value
Money market funds	$ 203,448	$ -	$ 203,448
Mutual funds	11,226,534	5,233,289	16,459,823
Fixed income	9,640,454	(51,070)	9,589,384
Alternative	1,139,599	229,528	1,369,127
	$ 22,210,035	$ 5,411,747	$ 27,621,782

A summary of the cost and fair value of the Organization's investments as of June 30, 2024 is as follows:

	Cost	Unrealized Gains (Losses)	Fair Value
Money market funds	$ 1,202,476	$ -	$ 1,202,476
Mutual funds	10,221,331	4,212,397	14,433,728
Fixed income	8,678,371	(838,675)	7,839,696
Alternative	1,055,000	153,964	1,208,964
	$ 21,157,178	$ 3,527,686	$ 24,684,864

Investment income for the year ended June 30, is summarized as follows:

	2025	2024
Interest and dividend income	$ 798,916	$ 871,585
Net realized and unrealized gains on investments	2,437,665	2,257,090
	3,236,581	3,128,675
Less: Investment expenses	(89,255)	(87,464)
	$ 3,147,326	$ 3,041,211

5. INVESTMENTS (continued)

All investments, except for Endowment funds with donor restrictions, are part of a Board Designated Reserve (the "Reserve") established by the Board of Directors, managed by an outside investment advisor, and governed by a Board approved investment policy. The general purpose of the Reserve is to help ensure the long-term financial stability of the Organization and position it to respond to varying economic conditions and changes affecting the Organization's financial position and the ability of the Organization to continuously carry out its mission. The Board believes that the achievement of the desired investment performance is primarily a function of asset class mix. It further believes that diversification is important for minimizing risk for a given level of returns. Assets should be allocated to various asset classes that serve the purpose of asset growth, principal protection, and/or inflation hedging.

6. INVENTORY AND FOOD DISTRIBUTIONS

The Organization distributed products to 547 and 577 social service agencies in 2025 and 2024, respectively, for use in their food distribution and on-site serving programs. The Organization distributes USDA product primarily through The Emergency Food Assistance Program ("TEFAP") and the Commodity Supplemental Food Program ("CSFP") in Missouri and Illinois.

Food products distributed during the years ended June 30 are as follows:

	2025		2024	
	Pounds	Amount	Pounds	Amount
Donated products	26,392,742	$ 50,146,212	27,227,812	$ 53,638,789
Purchased products	2,863,586	20,007,931	2,364,311	10,507,753
Missouri USDA (TEFAP)	6,571,480	11,302,946	7,143,640	12,429,933
Missouri USDA (CSFP)	1,408,320	2,422,310	1,619,528	2,817,979
Illinois USDA (TEFAP)	4,616,107	7,939,704	4,064,626	7,072,450
Illinois USDA (CSFP)	576,680	991,890	820,086	1,426,950
	42,428,915	$ 92,810,993	43,240,003	$ 87,893,854

Inventory as of June 30, is as follows:

	2025		2024	
	Pounds	Amount	Pounds	Amount
Donated products	1,506,027	$ 2,897,215	511,197	$ 1,007,057
Purchased products	636,117	1,325,806	349,456	591,790
Missouri USDA (TEFAP)	550,623	969,695	1,131,157	1,968,214
Missouri USDA (CSFP)	403,823	700,570	299,713	521,500
Illinois USDA (TEFAP)	365,939	638,456	452,064	786,591
Illinois USDA (CSFP)	209,025	363,948	221,257	384,988
	3,671,554	$ 6,895,690	2,964,844	$ 5,260,140

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2025	2024
Land	$ 1,322,800	$ 1,322,800
Buildings and improvements	10,771,069	10,599,928
Machinery and equipment	2,412,281	2,282,087
Vehicles	1,641,018	1,492,288
Office equipment	702,072	690,252
Construction in progress	153,538	98,999
Vehicles under finance leases	1,898,408	1,898,408
	18,901,186	18,384,762
Accumulated depreciation and amortization	(8,942,540)	(8,199,355)
	$ 9,958,646	$ 10,185,407

Depreciation and amortization expense was $999,686 and $970,935 for the years ended June 30, 2025 and 2024, respectively.

8. LINE OF CREDIT

The Organization has a line of credit agreement (the "Agreement") of $1,500,000 scheduled to expire on April 18, 2026. Borrowings are charged interest at the Chicago Mercantile Exchange ("CME") Term Secured Overnight Financing Rate ("SOFR") plus 1.60 percent (5.92 percent at June 30, 2025), and are secured by the Organization's operating facility. At June 30, 2025 and 2024, there were no borrowings outstanding under the line of credit.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, are as follows:

	2025	2024
Timing restrictions:		
United Way	$ 212,346	$ 235,940
Other timing restrictions	42,710	447,524
	255,056	683,464
Purpose restrictions:		
School markets expansion	512,321	104,076
Capital projects	375,380	375,380
Grocery rescue	735,650	-
Disaster planning and relief	544,397	-
50th anniversary-food distribution	217,628	-
Medicaid outreach and enrollment	87,180	-
	2,472,556	479,456
	$ 2,727,612	$ 1,162,920

Net assets with donor restrictions released from restriction during the year were as follows:

	2025	2024
Timing restrictions:		
United Way	$ 892,110	$ 513,123
Other timing restrictions	447,524	175,000
	1,339,634	688,123
Purpose restrictions:		
School markets expansion	473,145	124,621
Capital projects	-	485,198
Grocery rescue	14,350	-
Disaster planning and relief	190,959	-
50th anniversary-food distribution	2,649	-
Medicaid outreach and enrollment	92,055	-
	773,158	609,819
	$ 2,112,792	$ 1,297,942

10. ENDOWMENT FUNDS

In September 2015, the Board of Directors approved the establishment of an Endowment Fund (the "Endowment") to provide a continuous source of revenue to support the Organization's mission.

10. ENDOWMENT FUNDS (continued)

Interpretation of relevant law

The Organization's Board of Directors has interpreted Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restriction that are perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions that are perpetual in nature is classified as net assets with donor restrictions that are temporary in nature until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the Organization and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Organization

(7) The investment policies of the Organization

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the Organization diversifies its investments, subject to practicality constraints, among a variety of asset classes so as to provide a balance that will enhance total real return while avoiding undue risk concentration in any single asset class or investment category.

10. ENDOWMENT FUNDS (continued)

Spending policy

Under the current policy, disbursements, other than amounts to pay investment fees, require the approval of the Board of Directors. The Board of Director have endorsed a spending rate of up to 5% annually of the average market value of the investment portfolio's fiscal year-end balance using a trailing average over the prior three years. No endowment distributions were taken during 2025 or 2024.

Endowment composition

Endowment funds at June 30, are as follows:

	2025	2024
Board-designated endowment funds	$ 7,300,758	$ 6,457,278

Changes in endowment net assets for the fiscal year ended June 30, 2025 is as follows:

	Without Donor Restrictions
Balance, June 30, 2024	$ 6,457,278
Investment income, net of fees	120,933
Unrealized and realized gains	722,547
Balance, June 30, 2025	$ 7,300,758

Changes in endowment net assets for the fiscal year ended June 30, 2024 is as follows:

	Without Donor Restrictions
Balance, June 30, 2023	$ 5,650,853
Investment income, net of fees	108,758
Unrealized and realized gains	697,667
Balance, June 30, 2024	$ 6,457,278

11. DONATED GOODS AND SERVICES

Donated food for the fiscal years ended June 30, 2025 and 2024, included in the financial statements, were as follows:

	2025	2024
Donated	$ 51,743,202	$ 53,118,409
TEFAP	18,117,449	21,185,974
CSFP	3,596,296	4,536,813
	$ 73,456,947	$ 78,841,196

Donated food includes the following main categories: proteins, produce, dairy, bread, and beverages as well as a minimal amount of essential household and personal product. The food product was donated to the Organization by various individuals, organizations, and state governments.

The donated food is recorded in the financial statements as consumable product donations/receipts and as food and product distributions at the estimated average fair value of one pound of donated food product at the national level of $1.90 and $1.97, for the fiscal years ended June 30, 2025 and 2024, respectively. Government food commodities are recorded at the estimated average fair value of one pound of donated food product at the national level of $1.72 and $1.74, for the fiscal years ended June 30, 2025 and 2024, respectively. These values were determined based on upon calendar year 2024 and 2023 studies performed by Feeding America. Each of the annual studies involves a review of 31 product categories and wholesale prices using a national wholesaler's pricing catalogs. Other independent sources may also be used as necessary for items not included in the catalogs. The average value of one pound of donated product will vary from year-to-year based on the mix of product items donated. As part of the study, Feeding America analyzes and reviews the results to determine the accuracy and understand the key components of the valuation and the year-over-year changes.

In addition, volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. During the years ended June 30, 2025 and 2024, these volunteers donated approximately 78,983 and 63,717 hours, respectively, with an estimated value of $2,390,815 and $1,866,271, respectively. This value was computed using an estimated hourly rate of $30.27 and $29.29 in 2025 and 2024, respectively, based upon the average hourly earnings of all production and nonsupervisory workers on private nonfarm payrolls, as determined by the U.S. Department of Labor's Bureau of Labor Statistics and reported by Independent Sector, plus 12 percent for estimated fringe benefits.

12. AGREEMENTS AND CONTRACTS

The Organization has primary responsibility for warehousing, handling, and distributing USDA-donated foods under TEFAP within its Missouri and Illinois service territories. The Organization receives grants from the Missouri Department of Social Services, Division of Family Services, and Illinois Department of Human Services to offset certain operating expenses incurred in the distribution of the food. The donated foods received by the Organization under TEFAP are distributed to food pantries and on-site serving centers.

In addition, the Organization has responsibility for warehousing, handling, repackaging and distributing USDA-donated and other foods under Commodity Supplemental Food Program ("CSFP") and Temporary Assistance for Needy Families Program ("TEFAP"). The Organization receives grants through the Missouri Department of Health and Senior Services and the Illinois Department of Human Services to offset certain expenses incurred in the repackaging and distribution of this food.

Under these government contracts and agreements, the Organization is required to fulfill certain conditions such as specific services provided, specified commodities provided, or the qualified expenses incurred. Failure to fulfill the conditions could result in the return of the funds or no release of the funds. No amounts have been reflected in these financial statements for these contracts until conditions are satisfied.

13. AFFILIATE AGREEMENT

The Organization is a member in the national network of Feeding America through an Affiliate Contract that is in place. The Affiliate Contract establishes the Organization's exclusive service area and sets forth a variety of compliance requirements. Dues are remitted to Feeding America by the Organization based on a formula defined in the agreement. During the years ended June 30, 2025 and 2024, the Organization paid dues in the amount of $16,361 and $13,002, respectively.

14. RETIREMENT PLAN

The Organization maintains a contributory retirement savings plan under Section 403(b) of the Code. The plan covers employees that meet certain eligibility requirements. Employees may make discretionary contributions to the plan through payroll deductions up to the maximum amount allowed by the Code. For the years ended June 30, 2025 and 2024, the Organization contributed three percent of each eligible employee's base salary and matched 100 percent of the first three percent of employee contributions to the plan. The Organization, at its discretion, can contribute additional funds to the plan for each employee regardless of the employees contribution level. Contributions to the plan were $387,726 and $365,487 for the years ended June 30, 2025 and 2024, respectively, inclusive of a 5% discretionary contribution.

15. LEASES

For operating leases, the Organization leases multiple copiers for monthly installments ranging from $225 to $389 expiring in June 2025 through May 2027.

15. LEASES (continued)

For finance leases, the Organization leases certain vehicles for which principal and interest are payable in monthly installments ranging from $1,723 to $2,654 expiring in July 2026 through October 2029.

The following summarizes the line items on the statement of financial position as of June 30:

	2025	2024
Operating leases		
Operating lease right-of-use assets	$ 45,792	$ 45,792
Operating leases		
Operating lease obligations, current	$ 15,619	$ 16,803
Operating lease obligations, noncurrent	13,152	28,771
	$ 28,771	$ 45,574
Finance leases		
Vehicles	$ 1,898,408	$ 1,898,408
Accumulated amortization	(1,402,927)	(1,050,375)
	$ 495,481	$ 848,033
Finance lease liabilities		
Finance lease obligations, current	$ 313,171	$ 285,549
Finance lease obligations, noncurrent	338,688	640,332
	$ 651,859	$ 925,881

The following summarizes the line items on the statement of activities for the years ended June 30:

	2025	2024
Operating		
Operating leases included in operating expenses	$ 18,319	$ 18,319
	18,319	18,319
Finance		
Amortization of assets included in depreciation and amortization	352,552	271,201
Interest, included in interest expense	41,099	64,174
	393,651	335,375
	$ 411,970	$ 353,694

15. LEASES (continued)

The following summarizes the cash flow information related to leases for the years ended June 30:

	2025	2024
Cash paid for amounts included in the measurement of lease obligations:		
Operating cash flows from operating leases	$ 18,319	$ 18,319
Operating cash flows from finance leases	352,552	271,201
Financing cash flow from finance leases	(274,022)	(261,039)
	$ 96,849	$ 28,481

The following summarizes the weighted average remaining lease term and discount rate for the years ended June 30:

	2025	2024
Weighted average discount rate		
Operating leases	1.6 %	2.6 %
Finance leases	2.8 %	3.6 %
Weighted average remaining lease term in years		
Operating leases	3.0	3.5
Finance leases	5.2	5.0

The maturities of lease obligations as of June 30, 2025 were as follows:

Year ending June 30,	Operating	Finance
2026	$ 15,619	$ 320,040
2027	14,319	199,209
2028	-	93,491
2029	-	60,120
2030	-	20,040
	29,938	692,900
Less: interest	(1,167)	(41,041)
Present value of lease obligations	28,771	651,859
Current portion	(15,619)	(313,171)
Long-term portion	$ 13,152	$ 338,688

SUPPLEMENTARY INFORMATION

REPORTS ON COMPLIANCE AND ON INTERNAL CONTROLS

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

Board of Directors
St. Louis Area Food Bank, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. Louis Area Food Bank, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated March 4, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Amanino LLP

St. Louis, Missouri

March 4, 2026

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

Board of Directors
St. Louis Area Food Bank, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 Organization'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 Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization'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 Organization'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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization'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 Organization'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-003. Our opinion on each major federal program is not modified with respect to these matter.

Government Auditing Standards requires the auditor to perform limited procedures on The Organization's response to the noncompliance findings identified in our audit described in the accompanying schedules of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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.

We consider a deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weakness 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.

Government Auditing Standards requires the auditor to perform limited procedures on The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Armanino LLP

St. Louis, Missouri

March 4, 2026

St. Louis Area Food Bank, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Expenditures of Federal Awards				
U.S. Department of Agriculture				
Food Distribution Cluster				
Pass-through programs from the Missouri Department of Social Services				
Emergency Food Assistance Program (Administrative Costs)	10.568	ER113170006	$ 597,299	$ -
Emergency Food Assistance Program (Food Commodities)	10.569	ER113170006	11,302,946	11,302,946
			11,900,245	11,302,946
Pass-through program from the Illinois Department of Human Services				
Emergency Food Assistance Program (Administrative Costs)	10.568	FCSBH01403	403,002	-
Reach and Resilience - Emergency Food Assistance Program (Administrative Costs)	10.568	FCSCH07592	15,244	-
Emergency Food Assistance Program (Food Commodities)	10.569	FCSBH01403	7,939,704	7,939,704
			8,357,950	7,939,704
Total Emergency Food Assistance Program			20,258,195	19,242,650
Pass-through programs from the Missouri Department of Health and Senior Services				
Commodity Supplemental Food Program (Administrative Costs)	10.565	CS222552002	396,801	-
Commodity Supplemental Food Program (Food Commodities)	10.565	CS222552002	2,422,310	2,422,310
			2,819,111	2,422,310
Pass-through programs from the Illinois Department of Human Services				
Commodity Supplemental Food Program (Administrative Costs)	10.565	FCSBQ00669	189,577	-
Commodity Supplemental Food Program (Food Commodities)	10.565	FCSBQ00669	991,890	991,890
			1,181,467	991,890
Total Commodity Supplemental Food Program			4,000,578	3,414,200
Total Food Distributions Program - Cluster			24,258,773	22,656,850
Supplemental Nutrition Assistance Program				
Pass-through programs from Feeding Illinois				
Supplemental Nutrition Assistance Program	10.551	FCSCQ1412	132,212	-
Pass-through program from Feeding Missouri				
Supplemental Nutrition Assistance Program	10.551		54,469	-
Total Supplemental Nutrition Assistance Program			186,681	-
Pandemic Relief Activities				
Pass-through program from:				
Illinois Department of Human Services	10.182	FSCQ07652	2,894,119	-
Total Pandemic Relief Activities			2,894,119	-
Commodity Credit Corporation				
Missouri Department of Social Services	10.187	ER113170006	56,387	-
Total Commodity Credit Corporation			56,387	-

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

St. Louis Area Food Bank, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Total U.S. Department of Agriculture			27,395,960	22,656,850
U.S. Department of Health and Human Services				
Pass-through program from the Illinois Department of Human Services				
Temporary Assistance for Needy Families	93.558	FCSBH06964	39,061	-
Total U.S. Department of Health and Human Services			39,061	-
U.S. Department of Homeland Security				
Emergency Food & Shelter Program				
Pass-through program from:				
Emergency Food & Shelter Program National Board	97.024		251,019	-
Total Emergency Food & Shelter Program			251,019	-
Total U.S. Department of Homeland Security			251,019	-
U.S. Department of Economic Development				
AmeriCorps				
Pass-through program from:				
Missouri Department of Economic Development	94.006		39,696	-
Total U.S. Department of Economic Development			39,696	-
Total Expenditures of Federal Awards			$ 27,725,736	$ 22,656,850

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

St. Louis Area Food Bank, Inc.
Notes to Schedule of Expenditures of Federal Awards
June 30, 2025

1. BASIS OF PRESENTATION

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

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 limited as to reimbursement. The Organization elected to use the 10 percent de minimus indirect cost rate primarily for fiscal year 2025.

Pass-through entity identifying numbers are presented where available and applicable.

3. ASSISTANCE PROVIDED TO SUBRECIPIENTS

Non-monetary assistance is reported in the Schedule at the fair value of commodities. Of the federal expenditures presented in the Schedule, the Organization provided non-monetary federal awards to subrecipients as follows:

Missouri Department of Social Services	$ 11,302,946
Missouri Department of Health and Senior Services	2,422,310
Illinois Department of Human Services	8,931,594
	$ 22,656,850

No monetary federal awards were provided to subrecipients.

4. INVENTORY

Government commodities stated at fair value included in inventory at June 30, 2025 are as follows:

Missouri Department of Social Services	$ 969,695
Missouri Department of Health and Senior Services	700,570
Illinois Department of Human Services	1,002,404
	$ 2,672,669

5. FEDERAL INSURANCE AND LOAN PROGRAMS

The Organization had no federal insurance programs in effect and no loan or loan guarantee programs outstanding during the year ended June 30, 2025.

6. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards included in the accompanying Schedule, excluding federal awards of food commodities, are reported as government grants support and revenue in the Organization's basic financial statements. Federal awards of food commodities included in the accompanying Schedule are reported as consumable product donations/receipts support and revenue in the Organization's basis financial statements.

St. Louis Area Food Bank, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major programs:	

Name of Federal Program or Cluster	AL Number
United States Department of Agriculture, Food Distribution Program Cluster	10.568, 10.569, 10.565
United States Department of Agriculture, Pandemic Relief Activities	10.182

Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	No

St. Louis Area Food Bank, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding number:	**2025-001 - Lack of Operating Effectiveness on Internal Control Over Compliance for Food Distributions**
AL number:	10.568, 10.569, 10.565
AL title:	Emergency Food Assistance Program – Food Distribution Cluster
Compliance requirement:	Special Tests and Provisions
Name of federal agency:	U.S. Department of Agriculture
Name of pass-through entity:	Illinois Department of Human Services and Missouri Department of Social Services
Type of finding:	Material Weakness in Internal Control over Compliance of Major Programs
Criteria:	St. Louis Area Food Bank, Inc. is responsible for maintaining effective internal controls over compliance with Special Tests and Provisions. Proper controls require that documentation supporting food commodity receipts, including inspection reports and bills of lading, be complete, signed, and retained to ensure accountability and compliance with federal requirements.
Condition:	During our audit, we noted that required documentation was not consistently maintained. Specifically, the inspection report (lading report) was not completed or signed during the intake process, and for one receipt, neither the inspection report nor the bill of lading could be obtained for testing on another receipt. These issues indicate a breakdown in internal controls over documentation and verification of food receipts.
Cause:	The deficiencies appear to result from insufficient oversight and high staff turnover in the warehouse, combined with onboarding of new employees who may not yet be fully familiar with the program's documentation requirements and procedures.
Possible effect:	Incomplete or unsigned documentation indicates a failure in the program's internal controls, increases the risk of noncompliance with federal requirements, and may hinder the ability to verify service delivery of receipts and inventory accountability.
Questioned cost:	None

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS **(continued)**

Recommendation:	We recommend management reinforce documentation procedures through staff training and implement a mandatory review process to ensure inspection reports and bills of lading are completed, signed, and retained for all receipts of food commodities. Additionally, periodic internal reviews should be conducted to monitor compliance and address recurring issues promptly.
Views of responsible officials:	*Corrective Action Plan: Receipt of food commodities process has been modified to include Microsoft Power BI tools that provide due out release ("DOR") and arriving on receipt ("AOR") that are outstanding. This provides guidance to staff on items that need attention in order to be processed in a timely manner. Created standard operating procedures ("SOP") and responsible, accountable, consulted, informed ("RACI") model for digital document retention.* Weekly audits performed by Director of Operations to ensure adherence to processes and procedures which include follow up conversations with key stakeholders to correct any errors Name of Responsible Person: Meredith Knopp, Chief Executive Officer Anticipated Completion Date: Implemented effective October 31, 2025

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS **(continued)**

Finding number:	**2025-002 Lack of Operating Effectiveness on Internal Control Over Compliance for Record Retention**
AL number:	10.568, 10.569, 10.565
AL title:	Emergency Food Assistance Program – Food Distribution Cluster
Compliance requirement:	Special Tests and Provisions
Name of federal agency:	U.S. Department of Agriculture
Name of pass-through entity:	Illinois Department of Human Services and Missouri Department of Social Services
Type of finding:	Significant Deficiency in Internal Control over Compliance of Major Programs
Criteria:	St. Louis Area Food Bank, Inc. is responsible for implementing and maintaining an effective internal control system over compliance with Special Tests and Provisions. A proper internal control system requires that documentation supporting compliance with program requirements, including inventory distributions, be accurate, complete, and timely to ensure accountability and prevent errors or misstatements.
Condition:	During the audit, we noted that documentation procedures were not consistently followed. Specifically, two invoice forms of the twenty tested were missing staff signatures. These instances indicate a breakdown in internal controls related to documentation and verification processes.
Cause:	The deficiencies appear to result from inadequate oversight during intake procedures and high staff turnover, which led to inconsistent adherence to documentation requirements.
Possible effect:	Failure to complete and retain required documentation compromises the integrity of internal controls, increases the risk of noncompliance with federal requirements, and limits the ability to verify proper food distribution, eligibility, and inventory accountability.
Questioned cost:	None
Recommendation:	We recommend that management strengthen internal controls over documentation by reinforcing established procedures through targeted staff training and regular reminders to ensure compliance. Additionally, management should implement a review or checklist process to verify that all required forms are completed and signed prior to finalization. To further enhance oversight, periodic internal audits should be conducted to monitor adherence to documentation requirements and promptly address any recurring issues.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS **(continued)**

Views of responsible officials:	*Corrective Action Plan: Established three checks and balances that are currently in practice: 1. Invoices are reviewed by Senior Transportation Manager to ensure signed. 2. Once reviewed by Senior Transportation Manager, invoice is handed off to Partner Services Representative for verification of signatures and electronically scanned into centralized database. 3. Director of Operations reviews all invoices for completion of signature in database on a weekly basis. Director of Operations uses a control sheet to check against CERES ERP system.* We will continue to monitor and identify any gaps in the CAP outlined above to ensure compliance with appropriate signatures is met. Name of Responsible Person: Meredith Knopp, Chief Executive Officer Anticipated Completion Date: Implemented effective October 31, 2025
Finding number:	**2025-003 Noncompliance with Record Retention and Documentation Requirements for Receipt of Food Commodities**
AL number:	10.568, 10.569, 10.565
AL title:	Emergency Food Assistance Program – Food Distribution Cluster
Compliance requirement	Special Tests and Provisions
Name of federal agency:	U.S. Department of Agriculture
Name of pass-through entity:	Illinois Department of Human Services and Missouri Department of Social Services
Type of finding:	Compliance Finding – Noncompliance with Federal Program Requirements
Criteria:	Federal regulations require that recipients maintain complete and accurate documentation for food commodities, including inspection reports and bills of lading, to demonstrate compliance with Special Tests and Provisions and ensure accountability for inventory received and distributed.
Condition:	During our audit, we were unable to obtain the inspection report and bill of lading for one food commodity receipt of the twenty tested. The absence of these documents prevented us from performing required compliance testing and verifying adherence to federal requirements.
Cause:	The deficiency appears to result from inadequate retention of documentation and insufficient oversight of intake procedures, compounded by staff turnover and onboarding challenges.
Possible effect:	Failure to maintain required documentation constitutes noncompliance with federal program requirements, limits the ability to verify proper food inventory tracking, including receipts and distributions, and increases the risk of errors or misstatements in reporting.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS **(continued)**

Questioned cost:	None
Recommendation:	We recommend management implement stronger controls over document retention by establishing clear procedures for collecting, signing, and storing inspection reports and bills of lading. Additionally, management should provide training to staff and conduct periodic internal reviews to ensure compliance with documentation requirements.
Views of responsible officials:	*Corrective Action Plan: Quarterly file audits to ensure appropriate documentation is on file.*
	We have created a new process for internal Fiscal Year file audits which includes checking quarterly (Q1 September, Q2 December, Q3 March, Q4 June) to ensure we have the appropriate documents for the correct years. That change helped us find out if there is something missing for a site before the end of the fiscal year so it can be addressed in a timely matter, and we have all documents accounted for accordingly.
	Name of Responsible Person: Meredith Knopp, Chief Executive Officer
	Anticipated Completion Date: Implemented effective October 31, 2025

Corrective Action Plan

For the Year Ended June 30, 2025

Finding 2025-001: Lack of Operating Effectiveness on Internal Control Over Compliance for Receipt of Food Commodities

Corrective Action Plan: Receipt of food commodities process has been modified to include Microsoft Power BI tools that provide DOR and AOR that are outstanding. This provides guidance to staff on items that need attention in order to be processed in a timely manner, Created SOP's and RACI model for digital document retention.

Managements Plan: *Weekly audits performed by Director of Operations to ensure adherence to processes and procedures which include follow up conversations with key stakeholders to correct any errors.*

Name of Responsible Person: Meredith Knopp, Chief Executive Officer

Anticipated Completion Date: Implemented effective October 31, 2025

2025-002: Lack of Operating Effectiveness on Internal Control Over Compliance for Distributions of Food Commodities

Corrective Action Plan: Established three checks and balances that are currently in practice: 1. Invoices are reviewed by Senior Transportation Manager to ensure signed. 2. Once reviewed by Senior Transportation Manager, invoice is handed off to Partner Services Representative for verification of signatures and electronically scanned into centralized database. 3. Director of Operations reviews all invoices for completion. of signature in database on a weekly basis. Director of Operations uses a control sheet to check against CERES ERP system.

Managements Plan: *We will continue to monitor and identify any gaps in the CAP outlined above to ensure compliance with appropriate signatures is met.*

Name of Responsible Person: Meredith Knopp, Chief Executive Officer

Anticipated Completion Date: Implemented effective October 31, 2025

2025-003: Noncompliance with Record Retention and Documentation Requirements for Receipt of Food Commodities

Corrective Action Plan: Quarterly file audits to ensure appropriate documentation is on file.

Managements Plan: *We have created a new process for internal Fiscal Year file audits which includes checking quarterly (Q1 September, Q2 December, Q3 March, Q4 June) to ensure we have the appropriate documents for the correct years. That change helped us find out if there is something missing for a site before the end of the fiscal year so it can be addressed in a*

timely matter, and we have all documents accounted for accordingly.

Name of Responsible Person: Meredith Knopp, Chief Executive Officer

Anticipated Completion Date: Implemented effective October 31, 2025

Name: Meredith Knopp

Date: 1/30/26

St. Louis Area Food Bank, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

Finding number: **2024-001 Material Weakness over Financial Reporting**

Description of finding: St. Louis Area Food Bank, Inc. experienced transition in the Chief Financial Officer position as well as other accounting positions during the year ended June 30, 2024. Throughout the course of audit, we noted that the accounting records were not completed timely and accurately in regard to account reconciliations, estimate calculations, and financial reporting. St. Louis Area Food Bank, Inc. hired a third-party accounting team to assist in performing the financial close for the year ended June 30, 2024 and continuing operations while finance positions were still open. The Organization hired a new Chief Financial Officer and several other accounting and finance team members in October and November 2024.

Status: To address the material weakness in financial reporting, St. Louis Area Food Bank prioritized hiring a qualified CFO and stabilizing the finance team through competitive retention strategies and comprehensive training. The organization implemented a robust financial reporting calendar, strengthened internal controls with standardized documentation and a Finance Manual, and ensured segregation of duties and cross-training for continuity. Interim consultants supported operations until permanent hires were onboarded and trained. Monthly reconciliations and timely correction of discrepancies were established, along with regular internal reviews by the CFO and collaboration with external auditors to maintain continuous monitoring and improvement.

Finding number: **2024-002 Lack of Operating Effectiveness on Internal Control Over Compliance for Food Distributions**

Description of finding: During the audit, it was identified that an invoice signed by the partner agency indicated an incorrect gross weight compared to inventory disbursed per the inventory system. However, the actual inventory disbursed differed due to items being unavailable or insufficient during packing. Although the disbursed amount was accurately reflected in the accounting system and subsequent reports, and an email was sent to the partner agency confirming the actual disbursement, the signed packing list/invoice provided at the time of delivery was not updated to reflect the actual disbursed inventory.

Status The entity implemented corrective actions to address the issue of inaccurate packing list documentation. A new Chief Operating Officer and additional warehouse staff were hired to ensure proper oversight and staffing. Management developed and implemented new Standard Operating Procedures (SOPs) and training programs to improve accuracy and compliance. These SOPs require packing lists to be printed and packing completed well in advance, allowing time for adjustments to reflect actual disbursements. Partner agencies now have 24 hours to report any discrepancies, enabling timely updates to documentation. Additionally, two new roles—Inventory Control and Quality Control—were established to verify that pick tickets match pick orders and reconcile against invoices before posting.

St. Louis Area Food Bank, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

SECTION IV - STATUS OF PRIOR YEAR FINDINGS **(continued)**

Finding number:	**2024-003 Lack of Operating Effectiveness on Internal Control Over Compliance for Timely Execution of Required Agreements**
Description of finding:	During the audit, it was discovered that due to significant staff turnover during the year, certain required agreements for the fiscal year period (July 1, 2023 – June 30, 2024) with partner agencies were not signed until late fiscal year 2024 or fiscal year 2025. This delay in execution of required agreements represents a control deficiency over documentation requirements.
Status:	Management has addressed the prior-year control deficiency by ensuring that personnel are now in place who understand the importance of timely execution of required documentation, including annual and bi-annual agreements. To prevent future delays, management implemented improved tracking systems, staff training, and reconciliation of A-133 documents with agency partners. Agreements are now executed and stored in an electronic signature platform (DocuSign), with access provided to key staff for verification. Tracking is maintained in a separate spreadsheet and reconciled to the electronic database. Additionally, a Standard Operating Procedure has been created and implemented to formalize these processes.

Illinois Supplementary Information

Illinois Grant Accountability and Transparency Act
Grantee Portal - Audit Consolidated Year-End Financial Report

Grantee Portal / Audit Reviews / Audit / CYEFR

Close | Mark Incomplete | Comment

The CYEFR is marked as complete. If changes are needed, click the 'Mark Incomplete' button above.

	CSFA #	Program Name	State	Federal	Match	Total
View	444-80-0166	The Emergency Food Assistance Program (TEFAP Administrative Costs)	0.00	294,192.00		294,192.00
View	444-80-0667	Commodity Supplemental Food Program	0.00	193,180.28		193,180.28
View	444-80-2224	Hunger Relief Fund Check Off (TEFAP)	17,186.00	0.00		17,186.00
View	444-80-3189	Illinois – Equitable Access Towards Sustainable Systems (EATS) funded by LFPA	0.00	2,799,123.00		2,799,123.00
View	444-80-3298	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation (CCC)	0.00	133,144.53		133,144.53
		Totals:	17,186.00	53,745,515.81	0.00	53,762,701.81

View	444-80-3318	The Emergency Food Assistance Program (TEFAP) Reach and Resiliency	0.00	15,224.00		15,224.00
		All other federal expenditures		50,310,652.00		50,310,652.00
		Totals:	17,186.00	53,745,515.81	0.00	53,762,701.81

Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

Agency	Department Of Human Services (444)
Program	The Emergency Food Assistance Program (TEFAP Administrative Costs) (444-80-0166) *This program as added due to awards found in the CSFA. It cannot be removed.*
State Amount Expended	0.00
Federal Amount Expended	294,192.00

Expended Amount	Category
115,079.00	Personal Services (Salaries and Wages)
29,472.00	Fringe Benefits
0.00	Travel
96,655.00	Equipment
0.00	Supplies
7,785.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
0.00	Occupancy - Rent and Utilities
0.00	Research and Development
0.00	Telecommunications
0.00	Training and Education
0.00	Direct Administrative Costs
6,140.00	Miscellaneous Costs
0.00	Third-party in-kind contributions
39,061.00	Grant Exclusive Line Item(s)

Expended Amount	Category
294,192.00	**Total Direct Expended**
0.00	Indirect Costs
294,192.00	**Total Amount Expended**

Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

Agency	Department Of Human Services (444)
Program	Commodity Supplemental Food Program (444-80-0667) *This program as added due to awards found in the CSFA. It cannot be removed.*
State Amount Expended	0.00
Federal Amount Expended	193,180.28

Expended Amount	Category
162,918.76	Personal Services (Salaries and Wages)
19,509.52	Fringe Benefits
0.00	Travel
0.00	Equipment
0.00	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
0.00	Occupancy - Rent and Utilities
0.00	Research and Development
0.00	Telecommunications
0.00	Training and Education
0.00	Direct Administrative Costs
10,752.00	Miscellaneous Costs
193,180.28	**Total Direct Expended**
0.00	Indirect Costs

Expended Amount	Category
193,180.28	Total Amount Expended

Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

Grantee Portal / Audit Reviews / Audit / CYEFR / Program

Agency	Department Of Human Services (444)
Program	Hunger Relief Fund Check Off (TEFAP) (444-80-2224) *This program as added due to awards found in the CSFA. It cannot be removed.*
State Amount Expended	17,186.00
Federal Amount Expended	0.00

Expended Amount	Category
0.00	Personal Services (Salaries and Wages)
0.00	Fringe Benefits
0.00	Travel
0.00	Equipment
0.00	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
0.00	Occupancy - Rent and Utilities
0.00	Research and Development
0.00	Telecommunications
0.00	Training and Education
0.00	Direct Administrative Costs
17,186.00	Miscellaneous Costs
0.00	Grant Exclusive Line Item(s)
17,186.00	**Total Direct Expended**

Expended Amount	Category
0.00	Indirect Costs
17,186.00	**Total Amount Expended**

Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

Grantee Portal / Audit Reviews / Audit / CYEFR / Program

Agency	Department Of Human Services (444)
Program	Illinois – Equitable Access Towards Sustainable Systems (EATS) funded by LFPA (444-80-3189) *This program as added due to awards found in the CSFA. It cannot be removed.*
State Amount Expended	0.00
Federal Amount Expended	2,799,123.00

Expended Amount	Category
224,384.33	Personal Services (Salaries and Wages)
0.00	Fringe Benefits
0.00	Travel
0.00	Equipment
46,205.69	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
0.00	Occupancy - Rent and Utilities
0.00	Research and Development
0.00	Telecommunications
0.00	Training and Education
0.00	Direct Administrative Costs
15,661.71	Miscellaneous Costs
2,512,871.27	Grant Exclusive Line Item(s)
2,799,123.00	**Total Direct Expended**

Expended Amount	Category
0.00	Indirect Costs
2,799,123.00	**Total Amount Expended**

Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

Agency	Department Of Human Services (444)
Program	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation (CCC) (444-80-3298) *This program as added due to awards found in the CSFA. It cannot be removed.*
State Amount Expended	0.00
Federal Amount Expended	133,144.53

Expended Amount	Category
119,002.59	Personal Services (Salaries and Wages)
0.00	Fringe Benefits
0.00	Travel
14,141.94	Equipment
0.00	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
0.00	Occupancy - Rent and Utilities
0.00	Research and Development
0.00	Telecommunications
0.00	Training and Education
0.00	Direct Administrative Costs
0.00	Miscellaneous Costs
0.00	Grant Exclusive Line Item(s)
133,144.53	**Total Direct Expended**

Expended Amount	Category
0.00	Indirect Costs
133,144.53	**Total Amount Expended**

Illinois Grant Accountability and Transparency Act
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Agency	Department Of Human Services (444)
Program	The Emergency Food Assistance Program (TEFAP) Reach and Resiliency (444-80-3318) *This program as added due to awards found in the CSFA. It cannot be removed.*
State Amount Expended	0.00
Federal Amount Expended	15,224.00

Expended Amount	Category
0.00	Personal Services (Salaries and Wages)
0.00	Fringe Benefits
0.00	Travel
0.00	Equipment
15,224.00	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
0.00	Occupancy - Rent and Utilities
0.00	Research and Development
0.00	Telecommunications
0.00	Training and Education
0.00	Direct Administrative Costs
0.00	Miscellaneous Costs
0.00	Grant Exclusive Line Item(s)
15,224.00	**Total Direct Expended**

Expended Amount	Category
0.00	Indirect Costs
15,224.00	**Total Amount Expended**