

THE FOOD BANK @ ST. MARY'S

Financial Statements
June 30, 2025 and 2024

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Amanda O'Rourke, CPA
Matt Smith, CPA
Claire Chow, CPA
Jason Mallon, CPA
Andrew Van Ness, CPA



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Food Bank @ St. Mary's
Seattle, Washington

Opinion

We have audited the accompanying financial statements of The Food Bank @ St. Mary's (a nonprofit 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 The Food Bank @ St. Mary's 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. 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 The Food Bank @ St. Mary's 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Food Bank @ St. Mary'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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted 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 The Food Bank @ St. Mary'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 The Food Bank @ St. Mary'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.

Greenwood Ohlund

Seattle, Washington
October 21, 2025

THE FOOD BANK @ ST. MARY'S

STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

ASSETS	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and cash equivalents	\$ 724,015	\$ 747,634
Contributions and grants receivable	96,460	80,664
Food inventory	245,333	344,248
Prepaid expenses	<u>4,000</u>	<u>8,219</u>
Total current assets	1,069,808	1,180,765
Property and Equipment, net	<u>405,268</u>	<u>492,188</u>
Total assets	<u><u>\$ 1,475,076</u></u>	<u><u>\$ 1,672,953</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 19,412	\$ 34,740
Accrued payroll liabilities	73,120	27,512
Contributions and grants received in advance	<u>19,850</u>	<u>45,540</u>
Total liabilities	112,382	107,792
Net Assets		
Without donor restrictions	1,357,194	1,559,661
With donor restrictions	<u>5,500</u>	<u>5,500</u>
Total net assets	<u>1,362,694</u>	<u>1,565,161</u>
Total liabilities and net assets	<u><u>\$ 1,475,076</u></u>	<u><u>\$ 1,672,953</u></u>

See accompanying notes to financial statements.

THE FOOD BANK @ ST. MARY'S

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Donated food	\$ 4,490,953	\$ -	\$ 4,490,953	\$ 4,912,497	\$ -	\$ 4,912,497
Contributions	386,121	-	386,121	360,252	-	360,252
Government grants	362,964	-	362,964	345,478	-	345,478
Donated services and use of facilities	113,363	-	113,363	86,748	-	86,748
Special events	161,810	-	161,810	150,584	-	150,584
Special events - direct benefit to donor	(42,303)	-	(42,303)	(30,077)	-	(30,077)
Interest and other income	24,299	-	24,299	22,474	-	22,474
Total support and revenue	5,497,207	-	5,497,207	5,847,956	-	5,847,956
Expenses						
Program services	5,425,164	-	5,425,164	5,588,157	-	5,588,157
Management and general	170,133	-	170,133	143,530	-	143,530
Fundraising	104,377	-	104,377	81,746	-	81,746
Total expenses	5,699,674	-	5,699,674	5,813,433	-	5,813,433
Change in net assets	(202,467)	-	(202,467)	34,523	-	34,523
Net Assets , beginning of year	1,559,661	5,500	1,565,161	1,525,138	5,500	1,530,638
Net Assets , end of year	<u>\$ 1,357,194</u>	<u>\$ 5,500</u>	<u>\$ 1,362,694</u>	<u>\$ 1,559,661</u>	<u>\$ 5,500</u>	<u>\$ 1,565,161</u>

See accompanying notes to financial statements.

THE FOOD BANK @ ST. MARY'S

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2025 and 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Food distribution	\$ 4,589,868	\$ -	\$ -	\$ 4,589,868	\$ 4,878,983	\$ -	\$ -	\$ 4,878,983
Payroll, taxes and benefits	483,328	98,707	98,707	680,742	364,874	74,517	74,517	513,908
Donated use of facilities	90,690	22,673	-	113,363	69,398	17,350	-	86,748
Depreciation	86,920	-	-	86,920	55,976	-	-	55,976
Food and other supplies	68,393	-	-	68,393	99,709	-	-	99,709
Event food and entertainment	-	-	42,303	42,303	-	-	30,077	30,077
Utilities	29,262	7,315	-	36,577	31,958	7,989	-	39,947
Insurance	28,538	7,135	-	35,673	26,960	6,740	-	33,700
Contracted services	-	23,222	-	23,222	-	21,400	-	21,400
Vehicle	22,761	-	-	22,761	18,551	-	-	18,551
Equipment	9,536	1,179	-	10,715	16,198	1,962	-	18,160
Building maintenance	10,421	-	-	10,421	19,750	-	-	19,750
Office and other	2,059	1,661	4,302	8,022	1,723	5,864	5,972	13,559
Merchant card fees	-	4,818	-	4,818	-	4,627	-	4,627
Telephone	2,304	2,304	-	4,608	2,032	2,032	-	4,064
Membership Fees	-	1,119	1,368	2,487	-	1,049	1,257	2,306
Volunteer retention	1,084	-	-	1,084	2,045	-	-	2,045
Total expenses	5,425,164	170,133	146,680	5,741,977	5,588,157	143,530	111,823	5,843,510
Less: Special events - direct benefit to donors	-	-	(42,303)	(42,303)	-	-	(30,077)	(30,077)
	<u>\$ 5,425,164</u>	<u>\$ 170,133</u>	<u>\$ 104,377</u>	<u>\$ 5,699,674</u>	<u>\$ 5,588,157</u>	<u>\$ 143,530</u>	<u>\$ 81,746</u>	<u>\$ 5,813,433</u>

See accompanying notes to financial statements.

THE FOOD BANK @ ST. MARY'S

STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Cash received from donors and government agencies	\$ 940,469	\$ 939,880
Cash received from interest and other	24,299	22,474
Cash paid to employees and related	(635,134)	(508,552)
Cash paid to suppliers and other	<u>(353,253)</u>	<u>(346,484)</u>
Net cash flows from operating activities	(23,619)	107,318
Cash Flows from Investing Activity		
Purchases of property and equipment	<u>-</u>	<u>(206,343)</u>
Net change in cash and cash equivalents	(23,619)	(99,025)
Cash and Cash Equivalents, beginning of the year	<u>747,634</u>	<u>846,659</u>
Cash and Cash Equivalents, end of the year	<u>\$ 724,015</u>	<u>\$ 747,634</u>

See accompanying notes to financial statements.

THE FOOD BANK @ ST. MARY'S

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

The Food Bank @ St. Mary's (the Organization) began in the 1940's as a neighborhood food pantry operated by St. Mary's Church offering emergency food assistance to families in need. By 1963, it was recognized as a food bank with regular hours and year-round hunger relief services available to all people living in the City of Seattle. The Organization is a non-profit organization and was incorporated in May 1996.

St. Mary's Church merged with St. Therese in 2022 and with St. Joseph in 2024. The Organization continues its current operations as a ministry of both St. Therese and St. Joseph Catholic Church and is funded through food and cash donations from individuals, private organizations, businesses, local government grants and other charitable organizations in the community, as well as volunteers who donate their time to provide services. Food is distributed through home delivery, mobile food bank, school programs, and walk-in distributions and the Organization serves approximately 2,100 households per week.

As a ministry of St. Therese and St. Joseph Churches (the Church), the Organization runs its programs and administrative activities on the Church's property including the use of buildings, furniture, and equipment at a cost of \$100 per year. The Organization is responsible for all monthly operating expenses including utilities, telephone, internet, insurance, and other expenses.

The Church provides additional warehouse and office space to the Organization as part of the \$100 yearly lease. As a result, the Organization recognizes an in-kind rent contribution (reported as donated use of facilities on the statement of activities) on an annual basis based on the estimated fair value of the lease, using market comparable square-footage rates.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting and have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, the net assets of FBSM are reported in each of the following two classes: without donor restrictions and with donor restrictions. Net assets without donor restrictions are not subject to donor-imposed stipulations. Net assets with donor restrictions are subject to donor-imposed stipulations that will be met either by actions of FBSM or the passage of time. As of June 30, 2025 and 2024, net assets with donor restrictions were restricted for the purpose of a kitchen remodel.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

Cash and Cash Equivalents

Cash and cash equivalents are defined as any short term, highly liquid instruments with original maturities of three months or less. At times, the Organization maintains amounts on deposit in banks in excess of the federally insured limits.

THE FOOD BANK @ ST. MARY'S

NOTES TO FINANCIAL STATEMENTS

Contributions and Grants Receivable

Contributions and grants receivable from donors are stated at net realizable value. The Organization uses the allowance method for recognizing bad debts. When an account is deemed uncollectible, it is generally written off against the allowance. Management does not believe any allowance is necessary at June 30, 2025 or 2024. As of June 30, 2025, 88% of contributions and grants receivable were due from one government agency and one donor. As of June 30, 2024, 69% of contributions and grants receivable were due from one government agency.

Food Inventory and Donated Food

Food inventory consists entirely of undistributed donated food that will be provided to people in need. Inventory is stated at the lower of cost or net realizable value. The Organization records the value of donated food as a contribution at the time the food is donated since the Organization has discretion in deciding the disposition of the donated food. Cost is estimated based on the fair value for donated goods at the time of donation, which is recognized based on the dollar value per pound of food established by the State of Washington, Emergency Food Assistance Program. The valuation was \$2.16 per pound for the years ended June 30, 2025 and 2024.

Property and Equipment

Property and equipment is stated at cost, if purchased, or at fair value if donated. All purchases or donations greater than \$10,000 with a useful life of one year or longer are capitalized. Depreciation is computed on property and equipment on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 40 years. Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Building and improvements	\$ 452,338	\$ 452,339
Vehicles	437,146	437,146
Equipment	<u>68,202</u>	<u>68,201</u>
	957,686	957,686
Less: accumulated depreciation	<u>(552,418)</u>	<u>(465,498)</u>
	<u>\$ 405,268</u>	<u>\$ 492,188</u>

Revenue Recognition

Contributions and grants (including those received from government agencies or special events) are recorded when unconditionally pledged as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions and grants received in advance of conditions met are deferred (a liability).

Conditional promises to give, that is, those with a measurable performance or barrier and a right of return, are not recognized until the conditions on which they depend have been met.

THE FOOD BANK @ ST. MARY’S

NOTES TO FINANCIAL STATEMENTS

As of June 30, 2025, the Organization has conditional awards of approximately \$163,000 outstanding from government agencies contingent upon continued activities relating to various projects. Revenue from these conditional awards is contingent upon incurring certain qualified expenditures under the grant agreements.

Revenue from government agencies is subject to audit, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the years ended June 30, 2025 and 2024, no such adjustments were made.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses that are allocated include donated use of facilities and rent, which are allocated on a percentage of space benefiting the function, as well as payroll, taxes and benefits, insurance, equipment, and other, which are allocated on the basis of estimates of time and effort.

Reclassifications

Certain prior year balances have been reclassified in order to conform to the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was October 21, 2025.

Note 2 – Liquidity and Availability of Resources

The Organization strives to maintain liquid financial assets sufficient to cover 60 days of general expenditures. Financial assets in excess of daily cash requirements are invested in savings and money market accounts. Net assets with donor restrictions are considered available for general expenditures.

The following table reflects the Organization’s financial assets as of June 30, 2025 and 2024, available to meet cash needs for general expenditures within one year of the statement of financial position date.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 724,015	\$ 747,634
Contributions and grants receivable	<u>96,460</u>	<u>80,664</u>
	<u>\$ 820,475</u>	<u>\$ 828,298</u>

THE FOOD BANK @ ST. MARY'S

NOTES TO FINANCIAL STATEMENTS

Note 3 – Retirement Plan

The Organization funds a retirement plan for eligible employees through the Archdiocese of Seattle (the Plan). Eligibility is based upon years of service. The Plan has a graduated vesting plan whereby employees are 100% vested after seven years of participation. For the years ended June 30, 2025 and 2024, the Organization funded the Plan with 6% of eligible wages totaling \$26,346 and \$19,356.