



Report of Independent Auditors and
Financial Statements

Oregon Food Bank, Inc.

June 30, 2024 and 2023

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Report of Independent Auditors

The Board of Directors
Oregon Food Bank, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oregon Food Bank, Inc. (Oregon Food Bank) which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Oregon Food Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 Oregon Food Bank'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Oregon Food Bank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon Food Bank's ability to continue as a going concern for a reasonable period of time.

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

Other Matter – Prior Year Financial Statements and Summarized Comparative Information

The financial statements of Oregon Food Bank, Inc. as of and for the year ended June 30, 2023, were audited by other auditors whose report thereon dated April 1, 2024, expressed an unmodified opinion. The summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon
March 6, 2025

Financial Statements

Oregon Food Bank, Inc.
Statements of Financial Position
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 11,792,434	\$ 11,429,767
Grants and other receivables	9,022,708	9,944,580
Pledges receivable, net	3,282,146	4,308,607
Inventory	6,120,101	3,585,167
Prepaid expenses and other assets	672,766	761,943
Investments	48,836,231	40,595,362
Property and equipment, net	<u>19,341,232</u>	<u>18,451,393</u>
Total assets	<u><u>\$ 99,067,618</u></u>	<u><u>\$ 89,076,819</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 3,030,762	\$ 3,141,047
Agency pass-through payable	56,070	160,393
Accrued payroll and vacation	1,748,068	1,328,224
Obligations under annuity agreements	470	51,016
Other liabilities	432,801	410,961
Deferred revenue	<u>6,432,650</u>	<u>-</u>
Total liabilities	11,700,821	5,091,641
NET ASSETS		
Without donor restrictions		
Undesignated	35,250,068	36,308,744
Board designated	20,000,000	20,000,000
Board designated endowment	2,579,203	2,424,372
Net property and equipment	<u>19,341,232</u>	<u>18,451,393</u>
Total without donor restrictions	77,170,503	77,184,509
With donor restrictions	<u>10,196,294</u>	<u>6,800,669</u>
Total net assets	<u><u>87,366,797</u></u>	<u><u>83,985,178</u></u>
Total liabilities and net assets	<u><u>\$ 99,067,618</u></u>	<u><u>\$ 89,076,819</u></u>

See accompanying notes.

Oregon Food Bank, Inc.
Statements of Activities
Years Ended June 30, 2024 and 2023

	Without Donor Restrictions	With Donor Restrictions	2024	2023
REVENUES AND OTHER SUPPORT				
Contributions	\$ 15,085,253	\$ 21,039,075	\$ 36,124,328	\$ 29,616,173
Government support	18,379,330	-	18,379,330	20,179,739
Food-to-buy program	2,459,357	-	2,459,357	2,022,804
Contributed nonfinancial assets	-	-	-	6,172
Investment income, net	3,192,732	-	3,192,732	1,556,285
Other income	544,091	-	544,091	77,448
Donated food	41,905,892	-	41,905,892	30,105,220
USDA in-kind food	25,180,746	-	25,180,746	17,019,134
Pass-through revenue	6,211,457	-	6,211,457	9,128,474
Net assets released from restrictions				
Satisfaction of restrictions	17,643,450	(17,643,450)	-	-
Total revenues and other support	130,602,308	3,395,625	133,997,933	109,711,449
EXPENSES				
Programs				
Food programs	105,531,663	-	105,531,663	90,449,100
Education and other programs	7,622,401	-	7,622,401	5,989,930
Advocacy	4,064,858	-	4,064,858	3,004,528
Supporting services				
Management and general	6,132,359	-	6,132,359	4,534,458
Fundraising	7,265,033	-	7,265,033	7,838,012
Total expenses	130,616,314	-	130,616,314	111,816,028
CHANGE IN NET ASSETS	(14,006)	3,395,625	3,381,619	(2,104,579)
NET ASSETS, BEGINNING OF YEAR	77,184,509	6,800,669	83,985,178	86,089,757
NET ASSETS, END OF YEAR	<u>\$ 77,170,503</u>	<u>\$ 10,196,294</u>	<u>87,366,797</u>	<u>\$ 83,985,178</u>

See accompanying notes.

Oregon Food Bank, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024, summarized information for 2023

	PROGRAM SERVICES				SUPPORTING SERVICES		Total	
	Food Programs	Education and Other Programs	Advocacy	Total Programs	Management and General	Fundraising	2024	2023
Salaries and related expenses	\$ 13,961,937	\$ 2,503,612	\$ 2,810,884	\$ 19,276,433	\$ 3,094,333	\$ 4,990,682	\$ 27,361,448	\$ 24,307,059
Purchased contract services	814,770	126,568	248,914	1,190,252	621,993	609,198	2,421,443	2,019,760
Supplies and miscellaneous	460,162	10,767	67,418	538,347	-	23,140	561,487	475,617
Telephone and computer support	721,970	73,476	240,280	1,035,726	90,865	186,506	1,313,097	1,381,142
Postage and publications	37,131	32,852	66,793	136,776	201,783	1,064,740	1,403,299	1,520,904
Transportation	992,654	23	12	992,689	18	22	992,729	924,427
Occupancy	813,298	62,699	23,478	899,475	44,990	41,962	986,427	937,348
Insurance	-	-	-	-	294,200	-	294,200	227,057
Equipment and maintenance	215,569	11,441	5,401	232,411	9,072	22,433	263,916	241,892
Conferences, meetings, and travel	245,364	96,468	341,206	683,038	63,069	30,538	776,645	516,990
Dues and fees	253,356	77,898	10,747	342,001	120,727	254,966	717,694	790,003
Depreciation and amortization	-	-	-	-	1,396,757	-	1,396,757	1,247,992
Food related costs	1,762,785	-	-	1,762,785	-	-	1,762,785	1,432,224
Partner support	2,239,364	4,626,597	249,725	7,115,686	-	40,846	7,156,532	5,573,460
Network support	628,771	-	-	628,771	-	-	628,771	428,606
Pass-through activities	5,928,781	-	-	5,928,781	-	-	5,928,781	9,155,582
Donor designated funds distributed	523,687	-	-	523,687	-	-	523,687	-
Loss on disposal of fixed assets	-	-	-	-	194,552	-	194,552	-
Value of product distributed:								
Food-to-buy goods distributed	2,475,967	-	-	2,475,967	-	-	2,475,967	1,948,997
Purchased product distributed	8,861,157	-	-	8,861,157	-	-	8,861,157	12,148,259
In-kind Donated Food Distributed	40,369,556	-	-	40,369,556	-	-	40,369,556	-
In-kind USDA Food Distributed	24,225,384	-	-	24,225,384	-	-	24,225,384	46,538,709
TOTAL EXPENSES	\$ 105,531,663	\$ 7,622,401	\$ 4,064,858	\$ 117,218,922	\$ 6,132,359	\$ 7,265,033	\$ 130,616,314	\$ 111,816,028

See accompanying notes.

Oregon Food Bank, Inc.
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,381,619	\$ (2,104,579)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,396,757	1,247,992
Loss on disposal of property and equipment	194,552	-
Realized and unrealized (gain) loss on investments	(1,563,065)	(676,375)
(Increase) decrease in		
Grants, pledges, and other receivables	1,948,333	(102,567)
Inventory	(2,534,934)	(138,044)
Prepaid expenses and other assets	42,765	(54,905)
Increase (decrease) in		
Accounts payable, agency, and accrued expenses	205,236	2,180,500
Obligations under annuity agreements	(50,546)	-
Other liabilities	21,840	-
Deferred revenue	6,432,650	-
Net cash flows provided by operating activities	<u>9,475,207</u>	<u>352,022</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,669,937)	(3,092,753)
Annuity payments to beneficiaries	-	(15,481)
Proceeds on the sale of property and equipment	1,235,201	-
Purchases of investments	<u>(6,677,804)</u>	<u>(15,735,176)</u>
Net cash flows used in investing activities	<u>(9,112,540)</u>	<u>(18,843,410)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	362,667	(18,491,388)
CASH AND CASH EQUIVALENTS, beginning of year	<u>11,429,767</u>	<u>29,921,155</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 11,792,434</u></u>	<u><u>\$ 11,429,767</u></u>

See accompanying notes.

Oregon Food Bank, Inc.

Notes to Financial Statements

Note 1 – Description of Organization

Oregon Food Bank, Inc. (OFB or the Organization) acts as a convener, capacity builder, and resource broker to support community partners of the Oregon Food Bank Network, the Oregon Community Food Systems Network, and other regional and statewide collaborations. The Organization owns and operates a warehouse in Multnomah County, Oregon, serving as the hub for statewide receipts and distribution of federal commodities and corporate and private donations. Additionally, OFB owns and operates five Regional Food Banks, serving Multnomah, Clackamas, Washington, Harney, Malheur, Tillamook, Sherman, Hood River, and Wasco counties. OFB builds community engagement through robust client and volunteer lead networks.

Oregon Food Bank, Inc. believes that food and health are basic human rights for all. We know that hunger is not just an individual experience; it is also a community-wide symptom that creates barriers to employment, education, housing, and health care. That is why OFB works on two fronts in its mission to end hunger in Oregon: we build community connections to help people access nutritious, affordable food today, and build community power to eliminate the root causes of hunger for good.

As an organization that touches every corner of our state—and building on the power of food as a shared human experience that connects us all—Oregon Food Bank, Inc. has a unique role in mobilizing action to support the long-term health and resilience of all communities.

Ending hunger means ensuring that all of us—no matter our racial background, or identity—have the opportunity to earn a living, get the health care we need without going into debt, and afford safe, secure housing. It also means building and supporting local food systems in places where people currently lack access to healthy food in urban and rural communities.

We believe in community-led change—and our work to create hunger-free communities is led by people who have experienced hunger. Amplifying community voices and growing grassroots power are core parts of our work to address the root causes of hunger.

We are members of Feeding America, a national organization supporting more than 200 food banks across the country, and the largest domestic hunger relief agency in the United States.

Government programs – OFB receives funds through several government programs that are passed through to some or all OFB Network of Regional Food Banks (RFB). Government programs include The Emergency Food Assistance Program, Oregon Hunger Response Fund, The Commodity Supplemental Food Program, and Emergency Food and Shelter Program. Pass-through allocations are computed using various poverty, unemployment, and other population factors depending upon the program. Continued funding levels are subject to annual renewal by the governmental agencies.

The Emergency Food Assistance Program (TEFAP) – The Emergency Food Assistance Program is a Federal program that supplements the diets of Americans meeting income eligibility requirements, by providing emergency food and nutrition assistance. TEFAP also provides funding for direct costs of personnel, storage, and distribution expenses incurred for the operation of the USDA commodities program which is passed through to the RFBs. Under contract with the Oregon Department of Human Services (DHS), OFB receives and distributes TEFAP commodities to the RFBs.

Oregon Food Bank, Inc. Notes to Financial Statements

Oregon Hunger Response Fund (OHRF) – Oregon Hunger Response Fund was established by the State of Oregon in 1993 to acquire food and new food sources, build network capacities and link emergency food clients to other services.

The Commodity Supplemental Food Program (CSFP) – The Commodity Supplemental Food Program is a federally funded nutrition program, which works to specifically improve the health of low-income elderly people.

Emergency Food and Shelter Program (EFSP) – OFB makes bulk purchases of food for local agencies in Clackamas, Multnomah, and Washington counties. It is reimbursed for its bulk purchases with funds from the U.S. Federal Emergency Management Agency (FEMA) Emergency Food and Shelter Program (EFSP) which are passed through by government or other agencies.

Note 2 – Summary of Significant Accounting Policies

Financial statement presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- *Net assets with donor restrictions* – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and cash equivalents – For financial reporting purposes, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents held for long-term investment purposes are excluded from cash and cash equivalents and included in investments.

Investments – Investments are carried at fair value. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments, is shown in the statements of activities. Interest income is accrued as earned and reported net of investment advisory fees. Security transactions are recorded on a trade date basis.

Oregon Food Bank, Inc.

Notes to Financial Statements

The Organization's investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near-term and such changes could materially affect the amounts reported in the financial statements.

Grants and other receivables – Receivables represent amounts due from partner agencies and regional network food banks for share contributions and food to buy purchases. The organization's practice is to charge off any grants receivable when the receivable is determined by management to be uncollectible based on outstanding balances and information provided by the administrator of the settlement fund. No provision for estimated uncollectible receivables has been made, since management considers all receivables fully collectible.

Pledges receivable – Pledges are considered unconditional commitments of the donors. Accordingly, recognition of these contributions is recognized when the pledge is made. Management evaluates collectability at the time that the pledge is recorded and annually thereafter. The allowance for uncollectable pledges is the Organization's best estimate of the amount of probable losses on existing receivables. There was no allowance for uncollectible pledges at June 30, 2024 or 2023.

Inventory – Inventory consists of donated goods valued at its estimated wholesale value, US Department of Agriculture (USDA) commodities stated at values provided by the USDA, and purchased food valued at the lower of cost or net realizable value on a first-in-first-out basis.

Property and equipment – Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 40 years.

Deferred revenue – Deferred revenue results primarily from conditional grant payments received prior to the incurrence of allowable grant expenditures and are refundable to the grantor if not used for grant purposes. Through June 30, 2024, the Organization had received two conditional grants from the government without yet having incurred allowable expenditures, resulting in a deferred revenue balance of \$6,432,650 at June 30, 2024. There was no deferred revenue at June 30, 2023 as allowable expenditures had been incurred for all conditional grants received.

Revenue recognition – Revenues from various sources are recognized as follows:

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period OFB is notified of the commitment. Bequests are recorded as revenue at the time OFB has an established right to the bequest and the proceeds are measurable. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Oregon Food Bank, Inc.

Notes to Financial Statements

Government support – A portion of the Organization’s revenue is derived from cost-reimbursable grants and contracts, which are conditional upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has met the performance requirements or incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as deferred revenue in the statements of financial position. The Organization has been awarded cost-reimbursable grants as of June 30, 2024 of approximately \$12,222,572 that have not been recognized at June 30, 2024 because qualifying expenditures have not yet been incurred.

Food-to-Buy program – Purchased Food-to-Buy is food that is purchased by OFB at bulk prices and distributed to Regional Food Banks and local agencies at cost plus a nominal administrative fee. Food-to-Buy program revenue is recognized upon shipment of the purchased food. All Food-to-Buy sales are transacted at cost.

Donated goods, services, and food – Donated goods are reflected as a contribution when received. OFB received approximately 24.5 million and 20.8 million pounds of food and grocery products from the food industry, other businesses, community organizations and individuals in 2024 and 2023, respectively. The product is valued at its estimated wholesale value of \$1.63 and \$1.44 per pound at June 30, 2024 and June 30, 2023, respectively. To arrive at the estimated wholesale fair value, OFB uses an independent accountant’s report prepared for Feeding America as a guide to determine an average rate that reflects the specific composition of inventory held at OFB.

Donations of materials and small equipment are reflected as support without donor restrictions and expensed as utilized at their estimated fair value.

It is the Organization’s policy to utilize gifts of non-monetary assets to carry out its mission. If an asset is gifted that the Organization cannot utilize, the asset will be sold at fair market value or returned to the donor.

OFB recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In 2024, approximately 32,900 volunteers provided more than 82,900 hours re-packing food, assisting with educational and community programs and special events. These hours of general volunteer support are not reflected in the financial statements as they do not meet the criteria for recording donated services.

Pass-through revenue – Pass-through revenue consists of government and foundation support and totaled \$6,211,457 and \$9,128,474 at June 30, 2024 and 2023, respectively.

Income tax status – Oregon Food Bank, Inc. is a nonprofit corporation exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. The Organization is not a private foundation.

Oregon Food Bank, Inc.

Notes to Financial Statements

Functional expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy which is allocated on the basis of square footage. Salaries and related costs, professional services, supplies, telephone and computer support, publications and postage, insurance, maintenance, conferences, meetings, travel, dues, and fees are allocated on the basis of estimated time and effort.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Prior year summarized financial information – The financial statements include certain prior year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Oregon Food Bank, Inc.'s financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Reclassifications – Certain account reclassifications and adjustments have been made to the financial statements of the prior year in order to conform with current year presentation. These reclassifications have no effect on the previously reported net assets.

Recently adopted accounting pronouncements – The Organization adopted Accounting Standards Update (ASU) 2016-13, *Credit Losses*, and all subsequent amendments to the ASU (collectively, ASC 326). The primary effects of the amendment are to estimate the expected credit loss and the measurement of expected credit losses should be based on historical experience, current conditions, and reasonable forecasts that affect the collectability of accounts receivable. The Organization adopted ASC 326 as of July 1, 2023, using the modified retrospective approach. The Organization has also chosen the option to not restate comparative periods prior to the adoption of the new credit loss accounting standard as the impact was not significant.

Subsequent events – Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position and before the financial statements are available to be issued.

The Organization has evaluated subsequent events through March 6, 2025, which is the date the financial statements were available to be issued.

Oregon Food Bank, Inc.

Notes to Financial Statements

Note 3 – Available Resources and Liquidity

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use. Financial assets of the Organization consist of the following at June 30, 2024 and 2023:

	2024	2023
Financial assets at year end		
Cash and cash equivalents	\$ 11,792,434	\$ 11,429,767
Grants and other receivables	9,022,708	9,944,580
Pledges receivable, net	3,282,146	4,308,607
Investments	48,836,231	40,595,362
	<hr/>	<hr/>
Total financial assets	72,933,519	66,278,316
Less those unavailable for general expenditure within one year, due to		
Unemployment certificate of deposit (Note 6)	(236,655)	(229,047)
Pledges receivable in two or more years	(1,649,500)	(2,600,000)
Net assets with donor and other restrictions	(10,196,294)	(6,800,669)
Board designated	(20,000,000)	(20,000,000)
Board designated endowment	(2,579,203)	(2,424,372)
	<hr/>	<hr/>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 40,851,070</u>	<u>\$ 34,224,228</u>

See Note 9 for the Organization's policies regarding funds designated by the board as a quasi-endowment. While the Organization does not intend to use funds from the board designated funds, board designated funds could be made available, if necessary, with a majority vote of the Board.

Note 4 – Receivables

Grants and other receivables are unsecured and consist of the following at June 30:

	2024	2023
Regional food banks	\$ 406,344	\$ 317,789
Federal, state and county appropriations	8,507,871	9,285,068
Portland Children's Levy	-	205,924
Other	108,493	135,799
	<hr/>	<hr/>
Total grants and other receivables	<u>\$ 9,022,708</u>	<u>\$ 9,944,580</u>

Oregon Food Bank, Inc.
Notes to Financial Statements

Pledges receivable at June 30, represent unconditional promises to give as follows:

	<u>2024</u>	<u>2023</u>
Receivable within one year	\$ 1,759,128	\$ 1,970,000
Receivable within two to five years	1,649,500	2,600,000
Less present value adjustment of long-term pledges	<u>(126,482)</u>	<u>(261,393)</u>
Total pledges receivable	<u><u>\$ 3,282,146</u></u>	<u><u>\$ 4,308,607</u></u>

Note 5 – Inventory

Inventory consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Donated product	\$ 3,093,786	\$ 1,617,693
USDA food	2,234,661	1,278,993
Purchased product	<u>791,654</u>	<u>688,481</u>
Total inventory	<u><u>\$ 6,120,101</u></u>	<u><u>\$ 3,585,167</u></u>

Note 6 – Unemployment Deposit and Self-Funded Unemployment Insurance

Cash and cash equivalents include a certificate of deposit in the amount of \$236,655 and \$229,047 at June 30, 2024 and 2023, respectively, posted with the State of Oregon, Department of Employment, under a special election to self-insure unemployment claims in lieu of making unemployment tax payments.

Oregon Food Bank, Inc.
Notes to Financial Statements

Note 7 – Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 3,394,162	\$ 3,394,162
Buildings	18,753,098	19,286,242
Office furniture and equipment	18,070	327,879
Computer equipment and software	1,019,156	1,524,168
Warehouse equipment	3,639,182	2,602,777
Vehicles	4,106,930	4,021,118
Artwork	-	40,800
Work in progress	<u>116,133</u>	<u>141,702</u>
 Total property and equipment	 31,046,731	 31,338,848
 Less accumulated depreciation	 <u>(11,705,499)</u>	 <u>(12,887,455)</u>
 Property and equipment, net	 <u><u>\$ 19,341,232</u></u>	 <u><u>\$ 18,451,393</u></u>

Note 8 – Contingencies

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become an OFB liability if so, determined in the future. It is management's belief that no significant amounts received, or receivable will be required to be returned in the future. As OFB receives a significant amount of federal funding, any changes or decreases in funding could have a significant impact on the financial statements.

Note 9 – Board Designated Endowment Net Assets

Board designated net assets consist of a board-designated endowment fund at Oregon Community Foundation at June 30, 2024 and 2023.

The Oregon Food Bank Endowment Fund (the Fund), also known as the Board-Directed Endowment Fund or the Quasi-Endowment Fund, was established to supplement the Organization and to protect major capital investments, in order to best serve the mission of OFB and achieve its long-term strategic goals. The Board established a quasi-endowment fund account at Oregon Community Foundation (OCF). Under the terms of the agreement, variance power was not granted to OCF unless the Organization ceases to exist or loses its tax-exempt status, and distributions in the amount of a reasonable rate of return determined by OCF will be distributed to the Organization each year.

Oregon Food Bank, Inc.

Notes to Financial Statements

OCF maintains a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions to support operations. Accordingly, OFB expects its investments to produce an average rate of return consistent with the market. Investment risk is measured in terms of the total investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

OFB may apply income from the Fund if the Board of Directors takes specific action to do so. OFB may also use the Fund principal upon a majority vote of the Board of Directors if it determines that an emergency exists such that OFB's mission and services are jeopardized. Distributions from OCF totaled \$102,040 and \$98,298 for the years ended June 30, 2024 and 2023, respectively.

Note 10 – Board Designated Net Assets

Net assets with board designations consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Rooted & Rising Campaign	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>

Rooted & Rising is a multi-year campaign to pursue the vision of creating communities that never go hungry.

Note 11 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Purpose restrictions	<u>\$ 10,196,294</u>	<u>\$ 6,800,669</u>

Oregon Food Bank, Inc.
Notes to Financial Statements

Note 12 – Contribution Revenue

Contribution revenue consists of the following for the years ended June 30:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2024			
Individuals	\$6,496,976	\$ 17,691,391	\$ 24,188,367
Foundations	470,667	1,475,000	1,945,667
Corporations	7,224,724	335,889	7,560,613
Other organizations	892,886	1,536,795	2,429,681
	<u>\$ 15,085,253</u>	<u>\$ 21,039,075</u>	<u>\$ 36,124,328</u>
June 30, 2023			
Individuals	\$ 23,176,927	\$ 600,000	\$ 23,776,927
Foundations	415,147	896,620	1,311,767
Corporations	3,611,025	369,000	3,980,025
Other organizations	365,454	182,000	547,454
	<u>\$ 27,568,553</u>	<u>\$ 2,047,620</u>	<u>\$ 29,616,173</u>

Note 13 – Non-Financial Contributions

Non-financial contributions consist of the following for the years ended June 30:

	2024	2023
Government commodities	\$ 25,180,746	\$ 17,019,134
Donated food	41,905,892	30,105,220
	<u>67,086,638</u>	<u>47,124,354</u>
Total in-kind food		
	67,086,638	47,124,354
Donated goods and services	-	6,172
	<u>-</u>	<u>6,172</u>
Total non-financial contributions	<u>\$ 67,086,638</u>	<u>\$ 47,130,526</u>

All non-financial contributions received by the Organization for the years ended June 30, 2024 and 2023, were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

Oregon Food Bank, Inc.

Notes to Financial Statements

Note 14 – Retirement Plan

The Oregon Food Bank 401(k) Profit Sharing Plan (the Plan) allows employees to contribute funds to the Plan when hired. An employee's contributions may be made on either a pre-tax basis (the traditional 401(k) option) or on a post-tax basis (the Roth option). Employees receive OFB employer contributions of 5% of gross wages after one year of service, 6% after five years and 7% after ten years. Employees are not required to make contributions to the Plan, in order to receive an employer contribution. All contributions are fully vested when contributed. The investment decisions regarding the employer-contributed assets and employee deferrals are made by each employee. During the years ended June 30, 2024 and 2023, contributions made to the Plan and charged to operations totaled \$966,235 and \$814,488, respectively.

Note 15 – Related Party Transactions

Transactions with board members, or organizations they are employed at or also serve on boards at, totaled \$4,543,120 and \$5,298,006 for the years ended June 30, 2024 and 2023, respectively.

Note 16 – Concentrations of Credit Risk

The Organization maintains its cash balances in a financial institution located in Portland. The balances in the checking and savings accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2024, there was \$11,542,144 in uninsured balances. In addition, the majority of contributions and balances receivable are from organizations and individuals located within the same geographic region.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Approximately 29% and 35% of the Organization's revenues came from a grant from the Oregon Department of Human Services during the years ended June 30, 2024 and 2023, respectively. Approximately 81% and 91% of grants, and other receivables outstanding at June 30, 2024 and 2023, respectively, are related to this grant. The grant is renewed on an annual basis.

Note 17 – Fair Value Measurements

Assets carried at fair value in the statements of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Oregon Food Bank, Inc.

Notes to Financial Statements

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

	Level 1	Level 2	Level 3	Total
June 30, 2024				
Cash and cash equivalents	\$ 205,478	\$ -	\$ -	\$ 205,478
Investments – mutual funds				
Money market fund	6,159,784	-	-	6,159,784
Fixed income funds	29,012,027	-	-	29,012,027
Equity funds – domestic	2,535,989	-	-	2,535,989
Equity funds – international	8,343,750	-	-	8,343,750
Total assets in the fair value hierarchy	<u>\$ 46,257,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,257,028</u>
Investments measured at NAV practical expedient				<u>2,579,203</u>
Investments at fair value				<u>\$ 48,836,231</u>
	Level 1	Level 2	Level 3	Total
June 30, 2023				
Cash and cash equivalents	\$ 140,540	\$ -	\$ -	\$ 140,540
Investments – mutual funds				
Money market fund	19,234,004	-	-	19,234,004
Fixed income funds	7,189,386	-	-	7,189,386
Equity funds – domestic	8,972,995	-	-	8,972,995
Equity funds – international	2,633,065	-	-	2,633,065
Total assets in the fair value hierarchy	<u>\$ 38,169,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,169,990</u>
Investments measured at NAV practical expedient				<u>2,424,372</u>
Investments at fair value				<u>\$ 40,594,362</u>

Fair values for investments in money markets, fixed income funds, and equity funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

Investments measured at NAV practical expedient includes the beneficial interest in assets held by OCF. Fair value of the beneficial interest in assets held by others is determined by the Organization's endowment partner, OCF, and is based upon the Organization's proportionate interest in OCF's endowment partner fund liability after adjustments for contributions and distributions made during the year. OCF's endowment partner fund liability is stated at fair value, which is generally equivalent to the present value of future payments expected to be made to the endowment partners.

The change in value is included in investment income without donor restrictions on the statements of activities. There have been no changes in valuation techniques and related inputs.

