

**The Greater Boston Food Bank, Inc.
and Subsidiary**

**Consolidated Financial Statements
(With Supplementary Information),
Schedule of Expenditures of Federal Awards,
Internal Control and Compliance
and Independent Auditor's Report**

September 30, 2024 and 2023

The Greater Boston Food Bank, Inc. and Subsidiary

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Independent Auditor's Report

To the Board of Directors
The Greater Boston Food Bank, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Greater Boston Food Bank, Inc. and Subsidiary ("GBFB"), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 The Greater Boston Food Bank, Inc. and Subsidiary, 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. The financial statements of GBFB Realty, Inc were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Greater Boston Food Bank, Inc. and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Requirements* (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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025, on our consideration of The Greater Boston Food Bank, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of The Greater Boston Food Bank, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Greater Boston Food Bank, Inc.'s internal control over financial reporting and compliance.



Braintree, Massachusetts
February 12, 2025

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statements of Financial Position
September 30, 2024 and 2023**

<u>Assets</u>		
	2024	2023
Cash and cash equivalents	\$ 15,163,928	\$ 23,489,683
Investments	30,863,195	34,394,345
Accounts and grants receivable, net	1,661,679	403,159
Promises to give, net of discounts	1,801,550	953,082
Inventory	4,618,740	6,069,047
Unbilled grants receivable	12,581,249	769,015
Property, plant and equipment, net	20,430,606	16,603,646
Prepaid expenses and other assets	849,490	678,085
	\$ 87,970,437	\$ 83,360,062
Total assets		
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable	\$ 2,137,569	\$ 2,618,164
Accrued expenses and other liabilities	4,414,168	3,124,317
Refundable advance	2,716,562	2,818,858
Finance lease liabilities	552,290	578,300
	9,820,589	9,139,639
Total liabilities		
Commitments		
Net assets		
Without donor restrictions - board designated	2,523,479	2,176,352
Without donor restrictions	71,650,820	67,253,918
	74,174,299	69,430,270
Total net assets without donor restrictions		
With donor restrictions	3,975,549	4,790,153
	78,149,848	74,220,423
Total net assets		
Total liabilities and net assets	\$ 87,970,437	\$ 83,360,062

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statement of Activities
Year Ended September 30, 2024**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating Support			
Contributions of cash and other financial assets - Institutional contributions	\$ 11,460,879	\$ 4,082,388	\$ 15,543,267
Individual contributions	26,254,749	-	26,254,749
Contributions of nonfinancial assets - food donations	-	73,447,119	73,447,119
Contribution of nonfinancial assets - contributed services	3,070,685	-	3,070,685
Special events, net of expenses of \$323,360	1,787,480	-	1,787,480
	<u>42,573,793</u>	<u>77,529,507</u>	<u>120,103,300</u>
Total support			
Revenue			
State income - MEFAP	36,173,782	-	36,173,782
Coop income	6,448,850	-	6,448,850
USDA reimbursement	3,894,003	-	3,894,003
Investment return, net	3,468,129	-	3,468,129
MDAR funds	4,705,678	-	4,705,678
Other grants	599,518	-	599,518
Rental income, net of expenses of \$141,509	100,477	-	100,477
Other	115,168	-	115,168
	<u>55,505,605</u>	<u>-</u>	<u>55,505,605</u>
Total revenue			
Net assets released from restrictions			
Food distribution	74,647,079	(74,647,079)	-
Satisfaction of donor restrictions	3,697,032	(3,697,032)	-
	<u>78,344,111</u>	<u>(78,344,111)</u>	<u>-</u>
Total support and revenue	<u>176,423,509</u>	<u>(814,604)</u>	<u>175,608,905</u>

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statement of Activities
Year Ended September 30, 2024**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Expenses			
Program services			
Food distribution and warehouse	139,423,574	-	139,423,574
Agency relations	1,628,869	-	1,628,869
Nutrition programs	2,905,964	-	2,905,964
Food Acquisition group	9,070,301	-	9,070,301
Hunger to health collaboratory	211,627	-	211,627
	<u>153,240,335</u>	<u>-</u>	<u>153,240,335</u>
Total program services			
Support services			
General and administrative	6,486,844	-	6,486,844
Lobbying	32,130	-	32,130
Marketing	4,502,330	-	4,502,330
Development	5,460,206	-	5,460,206
	<u>16,481,510</u>	<u>-</u>	<u>16,481,510</u>
Total support services			
Total expenses	<u>169,721,845</u>	<u>-</u>	<u>169,721,845</u>
(Decrease) Increase in net assets from operating activities	<u>6,701,664</u>	<u>(814,604)</u>	<u>5,887,060</u>
Change in net assets	<u>\$ 6,701,664</u>	<u>\$ (814,604)</u>	<u>\$ 5,887,060</u>

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statement of Activities
Year Ended September 30, 2023**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating Support			
Contributions of cash and other financial assets - Institutional contributions	\$ 13,078,578	\$ 1,893,771	\$ 14,972,349
Individual contributions	26,238,904	-	26,238,904
Contributions of nonfinancial assets - food donations	-	68,709,465	68,709,465
Contribution of nonfinancial assets - contributed services	563,400	-	563,400
Special events, net of expenses of \$289,194	1,687,128	-	1,687,128
	<u>41,568,010</u>	<u>70,603,236</u>	<u>112,171,246</u>
Total support			
Revenue			
State income - MEFAP	28,203,010	-	28,203,010
Coop income	6,498,790	-	6,498,790
USDA reimbursement	2,120,796	-	2,120,796
Investment return, net	2,052,401	-	2,052,401
MDAR funds	1,988,127	-	1,988,127
Local food purchase assistance (LFPA)	500,000	-	500,000
Rental income, net of expenses of \$155,117	86,869	-	86,869
Other	75,475	-	75,475
	<u>41,525,468</u>	<u>-</u>	<u>41,525,468</u>
Total revenue			
Net assets released from restrictions			
Food distribution	68,187,426	(68,187,426)	-
Satisfaction of donor restrictions	2,942,995	(2,942,995)	-
	<u>71,130,421</u>	<u>(71,130,421)</u>	<u>-</u>
Total support and revenue	<u>154,223,899</u>	<u>(527,185)</u>	<u>153,696,714</u>

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statement of Activities
Year Ended September 30, 2023**

	Without donor restrictions	With donor restrictions	Total
Expenses			
Program services			
Food distribution and Warehouse	133,517,342	-	133,517,342
Agency relations	2,565,653	-	2,565,653
Nutrition programs	2,754,702	-	2,754,702
Food acquisition group	9,234,543	-	9,234,543
Hunger to health collaboratory	390,687	-	390,687
	<u>148,462,927</u>	<u>-</u>	<u>148,462,927</u>
Total program services			
Support services			
General and administrative	7,039,766	-	7,039,766
Lobbying	31,639	-	31,639
Marketing	2,023,744	-	2,023,744
Development	4,165,815	-	4,165,815
	<u>13,260,964</u>	<u>-</u>	<u>13,260,964</u>
Total support services			
Total expenses	<u>161,723,891</u>	<u>-</u>	<u>161,723,891</u>
(Decrease) Increase in net assets from operating activities	<u>(7,499,992)</u>	<u>(527,185)</u>	<u>(8,027,177)</u>
Nonoperating activities			
Gain (loss) on disposal of property, plant and equipment	9,581	-	9,581
	<u>9,581</u>	<u>-</u>	<u>9,581</u>
Increase in net assets from nonoperating activities			
	<u>9,581</u>	<u>-</u>	<u>9,581</u>
Change in net assets	<u>\$ (7,490,411)</u>	<u>\$ (527,185)</u>	<u>\$ (8,017,596)</u>

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

Consolidated Statement of Functional Expenses Year Ended September 30, 2024

	Program Services					Support Services							Total
	Food Distribution and Warehouse	Agency Relations	Nutrition Programs	Food Acquisition Group	Hunger to Health Collaboratory	Total Program Services	General and Administrative	Lobbying	Marketing	Development	Direct costs for events	Total Support Services	
Salaries	\$ 2,730,712	\$ 864,669	\$ 930,683	\$ 1,027,996	\$ 46,481	\$ 5,600,541	\$ 3,915,772	\$ -	\$ 895,837	\$ 1,556,372	\$ -	\$ 6,367,981	\$ 11,968,522
Fringe benefits	605,252	188,796	239,815	208,084	6,683	1,248,630	698,749	-	171,214	347,603	-	1,217,566	2,466,196
Total salaries and fringe benefits	3,335,964	1,053,465	1,170,498	1,236,080	53,164	6,849,171	4,614,521	-	1,067,051	1,903,975	-	7,585,547	14,434,718
Day labor	249,880	45,234	-	-	-	295,114	304,389	-	54,234	78,784	-	437,407	732,521
Consulting	3,437	33,180	5,744	-	17,239	59,600	758,981	32,130	669,309	886,420	-	2,346,840	2,406,440
Other personnel costs	23,098	1,391	984	1,297	-	26,770	307,354	-	3,145	5,389	-	315,888	342,658
Professional development	-	-	-	100	-	100	70,864	-	30	340	-	71,234	71,334
Rubbish removal	81,205	-	-	-	-	81,205	-	-	-	-	-	-	81,205
Repairs and maintenance	1,140,457	73	-	-	1,300	1,141,830	-	-	26,410	-	-	26,410	1,168,240
Supplies	56,268	-	-	26,484	368	83,120	859	-	-	131	-	990	84,110
Utilities/security/insurance	825,630	15,372	15,419	14,575	179	871,175	37,455	-	10,498	27,932	-	75,885	947,060
Other building costs	60,839	-	-	-	-	60,839	32,132	-	-	-	-	32,132	92,971
Freight charges	188,776	-	-	1,947,948	-	2,136,724	-	-	-	-	-	-	2,136,724
Food distribution	110,887,310	-	967,828	-	-	111,855,138	-	-	-	-	-	-	111,855,138
Food purchases	24,178,631	-	-	-	-	24,178,632	-	-	-	-	-	-	24,178,632
Fleet expense	232,562	-	-	-	-	232,562	-	-	-	-	-	-	232,562
Bank charges/processing fees and supplies	1,028	-	-	-	-	1,028	3,685	40,153	-	322,901	-	363,054	364,082
Other insurance	-	-	-	-	-	-	937,288	-	-	4,330	-	941,618	941,618
Legal and audit	1,644	-	-	-	-	1,644	20,231	-	-	-	-	20,231	20,231
Postage and printing	-	70	4,189	1,853	4,000	10,112	776,128	-	-	-	-	776,128	777,772
Advertising	-	-	-	1,754	5,000	6,754	9,171	-	2,693,944	1,168,887	-	3,872,002	3,878,756
Special events - direct costs	-	-	-	-	-	-	-	-	-	-	323,360	323,360	323,360
Office expense	218,270	31,084	34,421	22,119	28,881	334,775	108,556	-	20,514	78,465	-	207,535	542,310
Program expense	-	19	53,220	-	-	53,239	-	-	36,999	-	-	36,999	90,238
Staff travel	9,127	17,661	14,945	7,577	1,496	50,806	78,491	-	4,916	14,887	-	98,294	149,100
Feeding America fees	-	-	56,478	-	-	56,478	-	-	-	-	-	-	56,478
Grants to agencies	-	1,270,493	-	-	100,000	1,370,493	-	-	-	-	-	-	1,370,493
Volunteer expense	-	-	66	-	-	66	-	-	-	-	-	-	66
Depreciation and amortization	1,556,392	-	-	-	-	1,556,392	-	-	-	-	-	-	1,556,392
Allocated expenses	(3,626,944)	(839,174)	582,172	5,810,514	-	1,926,568	(1,618,085)	-	(427,770)	-	-	(2,045,855)	(119,287)
Total expenses by function	139,423,574	1,628,868	2,905,964	9,070,301	211,627	153,240,335	6,486,844	32,130	4,502,330	5,460,206	323,360	16,804,870	170,045,205
Less expenses included with revenues on statement of activities													
Direct cost for events	-	-	-	-	-	-	-	-	-	-	(323,360)	(323,360)	(323,360)
Less expenses included in the expense section on the statement of activities	\$ 139,423,574	\$ 1,628,868	\$ 2,905,964	\$ 9,070,301	\$ 211,627	\$ 153,240,335	\$ 6,486,844	\$ 32,130	\$ 4,502,330	\$ 5,460,206	\$ -	\$ 16,481,510	\$ 169,721,845

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

Consolidated Statement of Functional Expenses Year Ended September 30, 2023

	Total Program Services						Total Support Services						Total
	Food Distribution and Warehouse	Agency Relations	Nutrition Programs	Food Acquisition Group	Hunger to Health Collaboratory	Total Program Services	General and Administrative	Lobbying	Marketing	Development	Direct costs for events	Total Support Services	
Salaries	\$ 2,937,935	\$ 823,223	\$ 864,433	\$ 987,455	\$ 256,684	\$ 5,869,730	\$ 4,159,096	\$ -	\$ 913,227	\$ 1,357,693	\$ -	\$ 6,430,016	\$ 12,299,746
Fringe benefits	695,535	196,302	209,436	212,433	54,113	1,367,819	700,902	-	184,009	257,307	-	1,142,218	2,510,037
Total salaries and fringe benefits	3,633,470	1,019,525	1,073,869	1,199,888	310,797	7,237,549	4,859,998	-	1,097,236	1,615,000	-	7,572,234	14,809,783
Day labor	16,928	30,337	19,360	-	-	66,625	159,751	-	33,980	26,907	-	220,638	287,263
Consulting	3,240	17,394	3,773	-	44,387	68,794	1,182,367	30,819	348,806	539,715	-	2,101,707	2,170,501
Other personnel costs	18,958	998	1,149	1,001	32	22,138	294,788	-	859	1,583	-	297,230	319,368
Professional development	-	450	-	-	-	450	64,758	-	-	1,080	-	65,838	66,288
Rubbish removal	72,527	-	-	-	-	72,527	-	-	-	-	-	-	72,527
Repairs and maintenance	654,942	-	-	-	5,120	660,062	-	-	9,076	-	-	9,076	669,138
Supplies	58,511	-	220	28,808	-	87,539	292	-	188	7,412	-	7,892	95,431
Utilities/security/insurance	906,603	13,952	13,995	13,229	1,489	949,268	32,668	-	9,528	25,351	-	67,547	1,016,815
Other building costs	63,355	-	-	-	-	63,355	15,901	-	-	-	-	15,901	79,256
Freight charges	101,529	-	-	2,712,346	-	2,813,875	-	-	-	-	-	-	2,813,875
Food distribution	96,475,952	-	911,190	-	-	97,387,142	-	-	-	-	-	-	97,387,142
Food purchases	32,468,340	-	-	-	-	32,468,340	-	-	-	-	-	-	32,468,340
Fleet expense	168,754	1,765	-	-	-	170,519	4,067	-	-	-	-	4,067	174,586
Bank charges/processing fees and supplies	552	-	-	-	-	552	35,096	-	-	296,789	-	331,885	332,437
Other insurance	-	-	-	-	-	-	997,633	-	-	479	-	998,112	998,112
Legal and audit	-	-	-	-	-	-	16,852	-	-	-	-	16,852	16,852
Postage and printing	2,020	191	4,368	2,410	7,871	16,860	3,103	-	279,245	-	-	1,334,291	1,351,151
Advertising	105	-	1,396	1,455	-	2,956	22,316	-	521,036	540,641	-	1,083,993	1,086,949
Special events - direct costs	-	-	-	-	-	-	-	-	-	-	289,194	289,194	289,194
Office expense	223,399	34,136	32,026	25,294	15,059	329,914	494,476	-	13,237	55,650	-	563,363	893,277
Program expense	-	-	33,278	-	18	33,296	-	-	35,233	-	-	35,233	68,529
Staff travel	5,853	24,593	15,843	16,795	5,914	68,998	95,008	820	9,074	3,265	-	108,167	177,165
Feeding America fees	-	-	6,812	-	-	6,812	24,990	-	-	-	-	24,990	31,802
Grants to agencies	-	2,171,258	-	-	-	2,171,258	-	-	-	-	-	-	2,171,258
Volunteer expense	-	-	743	-	-	743	-	-	-	-	-	-	743
Depreciation and amortization	1,917,349	-	-	-	-	1,917,349	-	-	-	-	-	-	1,917,349
Allocated expenses	(3,275,045)	(748,946)	636,680	5,233,317	-	1,846,006	(1,649,891)	-	(333,754)	-	-	(1,983,645)	(137,639)
Total expenses by function	133,517,342	2,565,653	2,754,702	9,234,543	390,687	148,462,927	7,039,766	31,639	2,023,744	4,165,815	289,194	13,550,158	162,013,085
Less expenses included with revenues on statement of activities	-	-	-	-	-	-	-	-	-	-	(289,194)	(289,194)	(289,194)
Direct cost for events	-	-	-	-	-	-	-	-	-	-	(289,194)	(289,194)	(289,194)
Less expenses included in the expense section on the statement of activities	\$ 133,517,342	\$ 2,565,653	\$ 2,754,702	\$ 9,234,543	\$ 390,687	\$ 148,462,927	\$ 7,039,766	\$ 31,639	\$ 2,023,744	\$ 4,165,815	\$ -	\$ 13,260,964	\$ 161,723,891

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2024 and 2023**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Consolidated</u>
Beginning balance, October 1, 2022	\$ 76,920,681	\$ 5,317,338	\$ 82,238,019
Change in net assets	<u>(7,490,411)</u>	<u>(527,185)</u>	<u>(8,017,596)</u>
Ending balance, September 30, 2023	69,430,270	4,790,153	74,220,423
Other change in net assets - see Note 15	(1,957,635)	-	(1,957,635)
Change in net assets	<u>6,701,664</u>	<u>(814,604)</u>	<u>5,887,060</u>
Ending balance, September 30, 2024	<u>\$ 74,174,299</u>	<u>\$ 3,975,549</u>	<u>\$ 78,149,848</u>

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statements of Cash Flows
Years Ended September 30, 2024 and 2023**

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 5,887,060	\$ (8,017,596)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	1,568,227	1,929,184
Transfer of net assets to collaboratory - see Note 15	(1,957,635)	-
Unrealized (gain) loss on investments	913,411	160,141
Realized (gain) loss on investments	(686,917)	(813,765)
Increase (decrease) in operating assets and liabilities		
Accounts and grants receivable	(1,258,520)	(292,212)
Promises to give	(848,468)	874,248
Inventory	1,450,307	(286,705)
Unbilled grants receivable	(11,812,234)	(769,015)
Prepaid expenses and other assets	(171,405)	(203,491)
Accounts payable	(1,252,692)	1,519,604
Accrued expenses and other liabilities	1,289,851	219,381
Refundable advance	(102,296)	2,018,327
	<u>(6,981,311)</u>	<u>(3,661,899)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Purchase of investments	(18,826,344)	(18,478,671)
Sale of investments	22,131,000	35,230,622
Purchases of property, plant and equipment	(4,449,266)	(427,380)
	<u>(1,144,610)</u>	<u>16,324,571</u>
Net cash (used in) provided by investing activities		
Cash flows from financing activities		
Principal payments on finance leases	(199,834)	(234,209)
	<u>(199,834)</u>	<u>(234,209)</u>
Net cash used in financing activities		
Net (decrease) increase in cash and cash equivalents	(8,325,755)	12,428,463
Cash and cash equivalents - beginning of year	<u>23,489,683</u>	<u>11,061,220</u>
Cash and cash equivalents - end of year	<u>\$ 15,163,928</u>	<u>\$ 23,489,683</u>

The Greater Boston Food Bank, Inc. and Subsidiary

**Consolidated Statements of Cash Flows
Years Ended September 30, 2024 and 2023**

	2024	2023
Supplemental disclosures of noncash investing and financing activities		
Acquisition of property and equipment	\$ 894,785	\$ 204,705
Less: construction in process in accounts payable at September 30, 2024 and 2023, respectively	(772,097)	(77,602)
Add: construction in process in accounts payable at September 30, 2023 and 2022, respectively	77,602	10,205
Increase in construction in process	5,155,268	467,277
Less: amounts transferred from construction in process	(906,292)	(177,205)
Total cash paid for fixed assets	\$ 4,449,266	\$ 427,380
Fixed assets disposed	\$ 212,271	\$ 558,392
Write-off of related accumulated depreciation	(212,271)	(558,392)
Loss (gain) on disposal	\$ -	\$ -
Cash paid for interest on leases	\$ 70,506	\$ 81,999

See Notes to Consolidated Financial Statements.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2024 and 2023

Note 1 - Nature of operations

Organization

The Greater Boston Food Bank, Inc. was established in 1981 to end hunger in Eastern Massachusetts by distributing food through a network of other not-for-profit organizations. Its principal activity is the collection, storage, and re-distribution of food to qualified not-for-profit agencies in the nine counties of Eastern Massachusetts.

The Greater Boston Food Bank, Inc. is a member of Feeding America, the nation's leading domestic hunger-relief nonprofit. Its mission is to feed America's hungry through a nationwide network of member food banks and to engage our country in the fight to end hunger. The network of more than 200 food banks serves all 50 states, the District of Columbia and Puerto Rico, providing meals to more than 40 million people each year via 60,000 food pantries and meals programs.

Food Acquisition Group - The Food Acquisition Group division works to acquire, enable and manage both donated and purchased food to minimize cost per pound.

Food Distribution and Warehouse - The Food Distribution and Warehouse division works as the main hub for safely receiving, storing, and transporting food to the partner agencies within Eastern Massachusetts.

Agency Relations - The Agency Relations division works as the customer service conduit between GBFB and the partner agencies in managing agency accounts and appointments while balancing equity among partner agencies.

Nutrition Programs - The Nutrition Programs division works to ensure GBFB's nutrition policy is in line with industry best practices and current science, as well as encourage the adoption of nutrition practices in the agency network, offer access to the Federal SNAP program and manage GBFB's online recipe database, Click'NCook.

Hunger to Health Collaboratory - The Hunger to Health Collaboratory, formerly a division of GBFB, is focused on awareness and understanding of the social drivers of health through a national collaboration of stakeholders and thought leaders in the food, health, academic and social sectors.

GBFB Realty, Inc. was established in 2008 to hold and manage the real property located at 70 South Bay Avenue, Boston, Massachusetts for the exclusive use and benefit of The Greater Boston Food Bank, Inc. Together, The Greater Boston Food Bank, Inc. and GBFB Realty, Inc. are referred to as "GBFB".

Since the pandemic, the demand for food has continued to be at elevated levels due to high food prices and inflation. During the years ended September 30, 2024, and 2023, the GBFB team has continued food distribution to cater to this new level of demand. GBFB ended the years ended September 30, 2024, and 2023 distributing over 107,072,400 and 104,175,876 pounds of food, respectively. As shown in the consolidated statements of activities, the total support without donor restrictions amounted to \$42,573,793 and \$41,568,010 and the total support with donor restrictions was \$77,529,507 and \$70,603,236 during the years ended September 30, 2024, and 2023, respectively. The excess cash as of September 30, 2023, was carried forward to the fiscal year ending September 30, 2024, primarily to fund the increased food purchases, and support the member agency network and the GBFB team.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2024 and 2023

Accounting standard adopted

In June 2016, the FASB issued Accounting Standards Update No. 2016-13, *Financial Instruments-Credit Losses* ("ASC 326"), which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the current and expected loss model. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in ASC 326 were trade accounts receivable. The Organization adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and resulted in enhanced disclosures only.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements include the accounts of The Greater Boston Food Bank, Inc. and GBFB Realty, Inc. (a not-for-profit organization whose sole member is The Greater Boston Food Bank, Inc.). All significant intercompany accounts and transactions have been eliminated in consolidation.

GBFB prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The accompanying consolidated financial statements present information regarding the Organization's financial position and activities into two categories of net assets based on the existence or absence of donor-imposed restrictions. The two categories are net assets without donor restrictions and net assets with donor restrictions.

US GAAP also requires that unconditional promises to give be recorded as receivables, and requires that organizations distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. All promises to give are recorded with donor restrictions until they become due or donor restrictions are relieved, whichever is later.

Included in net assets without donor restrictions are Board of Directors designated net assets of \$2,523,479 and \$2,176,352 as of September 30, 2024 and 2023, respectively. The Board of Directors of GBFB has established this designation in recognition of the need to develop operating reserves to pay future repairs and maintenance expenses related to GBFB's real or personal property, which might prevent or inhibit GBFB from accomplishing its mission.

Income taxes

The Internal Revenue Service has recognized GBFB as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Section 501(c)(3) of the Code provides for the exemption of organizations that are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes and whose net earnings do not inure to the benefit of any private shareholder or individual. GBFB is subject to income tax on unrelated business income related to rental income. GBFB does not expect any significant changes in the next 12 months. The open years for federal and state returns include fiscal years 2021 through 2023.

Management has analyzed the tax positions taken by the Organization and has concluded that, as of September 30, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization's federal and state informational returns prior to fiscal year 2020 are closed and

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2024 and 2023

management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Cash and cash equivalents

Cash and cash equivalents consist of certificates of deposit, money market accounts and repurchase agreements with original maturities of three months or less when purchased. Cash and cash equivalents are carried at cost which approximates fair value.

Accounts and grants receivable

Accounts and grants receivable represent amounts due from state agencies, recipient agencies and other charitable organizations that are stated at the amount management expects to collect from outstanding balances. Accounts and grants receivable was \$1,172,174 as of September 30, 2022.

Management believes that the historical loss information it has compiled is a reasonable basis on which to determine expected credit losses for trade receivables held at September 30, 2024 and 2023 because the composition of the trade receivables at that date is consistent with that used in developing the historical credit-loss percentages. Management also adjusted the historical loss rates to reflect the effects of those differences in current conditions and forecasted changes. Management developed this estimate based on its knowledge of past experience for which there were similar improvements in the economy. As a result, management applied the applicable updated credit loss rates to determine the expected credit loss estimate for each aging category. As of September 30, 2024 and 2023, management has determined any allowance for expected credit losses related to accounts receivable would be immaterial.

The Organization's allowance for doubtful accounts represents its estimate of expected credit losses related to its trade receivables.

Promises to give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Unconditional promises to give have been reviewed by management and it has been determined that there is no requirement for an allowance as of September 30, 2024 and 2023.

Concentrations of credit risk

Financial instruments which potentially subject GBFB to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, and promises to give. GBFB places its cash and cash equivalents in highly rated financial institutions, which are regularly reviewed by senior management for financial stability. As of September 30, 2024 and 2023, GBFB had cash deposits of \$7,300,000 and \$12,200,000, respectively, in excess of Federal Deposit Insurance Corporation (FDIC) insured limits. GBFB has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash and cash equivalents.

GBFB grants credit to its approximately 500 agencies and organizations. GBFB does not believe there are any concentrations of credit risk amongst the member agencies and organizations.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2024 and 2023

Inventory

Inventory consists of perishable and nonperishable foods and related products. Inventory acquired under the United States Department of Agriculture ("USDA"), Massachusetts Emergency Food Assistance Program ("MEFAP"), donated inventory, and "Coop" program is stated at the values shown below:

Inventory type	September 30, 2024	September 30, 2023
Coop program	Cost (FIFO)	Cost (FIFO)
Donated inventory	\$1.97/pound	\$1.93/pound
MEFAP	Cost (FIFO)	Cost (FIFO)
USDA	USDA Provided Value	USDA Provided Value

Donated inventory items are valued at the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology prepared by an international CPA firm dated December 31, 2023 and 2022 prepared for Feeding America for use by member food banks.

Revenue recognition

Foundation, corporate and individual gifts and grants

Transactions where the resource provider often receive value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Organization fails to overcome the barrier. The Organization recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as deferred revenue.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

Contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. All donor-restricted contributions are recorded as increases in donor restricted net assets.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2024 and 2023

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

USDA reimbursement

GBFB has entered into contracts to distribute certain commodities administered by the Massachusetts Department of Education under the Temporary Emergency Food Assistance Program ("TEFAP") of the federal government. GBFB is reimbursed for certain distribution and handling costs by the USDA. At September 30, 2024 and 2023, accounts receivable relating to this program amounted to \$1,412,448 and \$327,158, respectively. At September 30, 2024 and 2023, unbilled grants receivable relating to the Emergency Food Assistance Program (TEFAP - Reach & Resiliency) amounted to \$784,212 and \$284,489, respectively.

MEFAP

MEFAP is the Massachusetts Emergency Food Assistance Program, which is a line item in the state budget. GBFB has entered into contracts with the Massachusetts Department of Food and Agriculture ("MDFA") and the Massachusetts Department of Education ("MDE") to purchase certain commodities for all Massachusetts food banks affiliated with Feeding America. In turn, GBFB distributes its allocation under the MEFAP of the Commonwealth of Massachusetts. GBFB is reimbursed for the food commodities by the MDFA and for certain distribution and handling costs of the program by the MDE. Under the terms of the contract, GBFB may utilize funds received in one fiscal year in a subsequent fiscal year. At September 30, 2024 and 2023, unbilled grants receivable related to this program amounted to \$8,943,651 and \$0, respectively. The MEFAP contract was not fully executed until October 2024 due to an administrative delay, and billing for June through September 2024 revenue earned was delayed until October. Therefore, the amount owed to GBFB for the June through September was reflected as unbilled grants receivable as of September 30, 2024.

Amounts received in advance are shown as refundable advance. At September 30, 2024 and 2023, refundable advance from MEFAP was \$2,031,945 and \$2,541,621, respectively.

MDAR funds

On December 13, 2021, the Massachusetts House of Representative approved an award to the GBFB for approximately \$17,000,000 in funding from the Massachusetts Department of Agricultural Resources ("MDAR"), as per Chapter 102 of the Acts of 2021, for the purpose of increasing refrigeration and freezer capacity, to secure two permanent food hub warehouses, and to invest in the organization's network capacity. For the years ended September 30, 2024 and 2023, MDAR revenue totaled \$4,705,678 and \$1,988,127, respectively. At September 30, 2024 and 2023, unbilled grants receivable relating to this program amounted to \$2,853,386 and \$484,526, respectively. GBFB spent the majority of the funds allocated to the refrigeration and freezer project in fiscal year 2024 and based on the contract revenue earned in fiscal year 2024 was billed in October 2024. Therefore, the unbilled amount was reflected as unbilled grants receivable as of September 30, 2024.

Contributed services

Contributions of services are recognized as a contribution and expense recorded at fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2024 and 2023

provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contract and agency revenue and Refundable advance

Contract and agency revenue from MEFAP is recognized when the corresponding program expenditures are made in accordance with the terms of the related contracts. Refundable advance represents the unearned portion of installment payments received against program expenditures not yet incurred.

Coop program

GBFB operates a Coop program where GBFB purchases food from manufacturers and wholesale distributors then sells it to agencies at cost plus 10% markup for food items and for nonfood items. The Organization is obligated to provide products as ordered by the agency, and completion of the performance obligation occurs upon delivery or receipt of the product by the agency. Food and nonfood items are typically nonrefundable.

Property, plant and equipment

Disbursements for property, plant and equipment are recorded at cost or, if acquired by gift, at fair market value as of the date of gift. Depreciation and amortization are computed over the estimated useful lives of the assets on a straight-line basis as follows:

Description	Years
Buildings and improvements	15 - 30 years
Equipment, furniture and fixtures	5 - 10 years
Computer software	1 - 5 years
Trucks and automobiles	5 years

GBFB reviews its long-lived assets for impairment using an undiscounted cash flow method whenever events or circumstances indicate the carrying value of the asset may not be recoverable. There were no impairment losses related to long-lived assets in 2024 or 2023.

Investments

Investments in equity and debt securities are carried at fair value which is determined by quoted market prices. Investments are exposed to various risks such as interest rate, credit, and overall market volatility.

Functional allocation of expenses

GBFB's programs involve providing food to those in need and hunger related research. Certain expenses are allocated across multiple programmatic and administrative cost centers. Allocated expenses include administrative expenses, corresponding salaries and benefits, and utilities. Depending on the expense, allocation is either by square foot, headcount, or cost of meals distributed depending on which is a more relevant allocation measure for the expense category.

Operating measure

GBFB has defined the increase (decrease) in net assets from operating activities to include all support, revenue, expenses, and gains and losses, releases of net asset restrictions for payments of debt, and any gains or losses resulting from normal business transactions.

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2024 and 2023**

Advertising

Advertising costs are expensed as incurred and amounted to \$3,878,756 and \$1,087,399 for the years ended September 30, 2024 and 2023, respectively. Included in advertising expense is \$2,327,688 and \$144,742 of contributed advertising (contributed services) for the years ended September 30, 2024 and 2023, respectively, (see Note 12).

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities, if any. Accordingly, actual results could differ from those estimates.

Subsequent events

Subsequent events have been evaluated through February 12, 2025, which is the date the consolidated financial statements were available to be issued.

Note 3 - Liquidity

Financial assets available within one year of September 30, 2024 and 2023 consisted of the following:

	2024	2023
Cash and cash equivalents	\$ 15,163,928	\$ 23,489,683
Investments	30,863,195	34,394,345
Accounts receivable, net	1,661,679	403,159
Promises to give, net of discounts	1,801,550	953,082
Promises to give - long-term, net of discounts	(1,339,289)	(488,782)
Unbilled grants receivable	12,581,249	769,015
Total financial assets	60,732,312	59,520,502
Less amounts not available within one year		
Board designated assets - board reserve investments	(2,523,479)	(2,176,352)
Purposes restricted gifts	(696,591)	(311,235)
Food distribution restriction	(3,278,958)	(4,478,918)
Investment asset deferred compensation plan	(1,088,221)	(787,677)
Financial assets available with in one year	\$ 53,145,063	\$ 51,766,320

As part of liquidity management, GBFB invests cash in excess of its requirements in cash equivalents that consist of certificates of deposit, money market accounts, short-term repurchase agreements and investments in mutual funds and US Treasury securities.

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2024 and 2023**

Note 4 - Promises to give, net

Unconditional promises to give are expected to be collected as follows:

	2024	2023
In one year or less	\$ 492,500	\$ 560,000
Between one and two years	492,500	510,000
Between two and six years	952,500	30,000
	1,937,500	1,100,000
Less: discounts to net present value	(135,950)	(146,918)
Total promises to give receivable, net	\$ 1,801,550	\$ 953,082

Note 5 - Net assets with donor restrictions

Net assets with donor restrictions consist of contributions and other assets presently available for use, but expendable or distributable only for purposes specified by the donor. At September 30, 2024 and 2023, net assets with donor restrictions are restricted for the following purposes:

	2024	2023
Food distribution	\$ 3,278,958	\$ 4,478,918
Purpose restricted gifts	696,591	311,235
Total	\$ 3,975,549	\$ 4,790,153

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose for the years ended September 30, 2024 and 2023 were \$78,344,111 and \$71,130,421, respectively.

Note 6 - Food distribution

For the years ended September 30, 2024 and 2023, GBFB distributed 87,675,787 and 85,281,200 meals (excluding SNAP) which equates to 105,210,945 and 102,337,392 pounds of food, respectively. The value of these distributions is reflected in the accompanying consolidated statements of activities at cost if purchased, stated value if donated by USDA, and at \$1.97 and \$1.93 per pound if donated in 2024 and 2023, respectively.

In addition to the pounds of food reported in the consolidated financial statements, GBFB is responsible for the distribution of enabled product. Enabled product represents product received from donors which is retrieved directly by member agencies eliminating GBFB's need to handle the product.

GBFB is responsible for the distribution of referred product, which represents product offered to GBFB that GBFB elects not to accept, but refers that product to other food banks under Feeding America referral guidelines. Enabled pounds represent pounds received through the reclamation program directly by agencies that can best use those pounds. Referred pounds represent pounds

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2024 and 2023**

offered to GBFB that GBFB elects not to accept but subsequently refers those pounds to other regional food banks under guidelines established by Feeding America.

The following is a schedule of enabled and referred pounds of food for the years ended September 30, 2024 and 2023, as well as the value of these enabled and referred pounds:

	<u>2024</u>	<u>2023</u>
Enabled pounds of food	\$ 13,917,259	\$ 12,339,637
Referred pounds of food	<u>289,980</u>	<u>128,214</u>
Dollar value of enabled and referred pounds of food	<u>\$ 27,988,261</u>	<u>\$ 24,062,952</u>

Note 7 - Contributed nonfinancial assets - food donations

For the year ended September 30, 2024, contributed nonfinancial assets - food donations recognized on the statement of activities included the following:

	<u>Revenue recognized</u>	<u>Utilization in programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Technique and Inputs</u>
Donated food	\$ 47,642,399	Programs	Program requirements	Valued at Feeding America Valuation of \$1.97 Per Pound
CSFP	912,280	Programs	Program eligibility requirements	Value given by USDA at time of order
USDA	<u>24,892,440</u>	Programs	Program requirements	Value given by USDA at time of order
	<u>\$ 73,447,119</u>			

For the year ended September 30, 2023, contributed nonfinancial assets - food donations recognized on the statement of activities included the following:

	<u>Revenue recognized</u>	<u>Utilization in programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Technique and Inputs</u>
Donated food	\$ 48,243,289	Programs	Program requirements	Valued at Feeding America Valuation of \$1.93 Per Pound
CSFP	812,659	Programs	Program eligibility requirements	Value given by USDA at time of order
USDA	<u>19,653,517</u>	Programs	Program requirements	Value given by USDA at time of order
	<u>\$ 68,709,465</u>			

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2024 and 2023**

Note 8 - Property, plant and equipment, net

Property, plant and equipment at September 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 2,579,923	\$ 2,579,923
Buildings and improvements	28,704,852	28,263,234
Equipment, furniture and fixtures	3,375,869	2,898,096
Computer software	2,078,808	2,069,656
Trucks and automobiles	1,950,328	1,989,456
Construction in progress	4,568,430	319,453
	<u>43,258,210</u>	<u>38,119,818</u>
Less: Accumulated depreciation and amortization	<u>22,827,604</u>	<u>21,516,172</u>
	<u>\$ 20,430,606</u>	<u>\$ 16,603,646</u>

Depreciation and amortization expense was \$1,568,227 and \$1,929,184 for the years ended September 30, 2024 and 2023, respectively.

Included in property, plant and equipment at both September 30, 2024 and 2023 is \$1,256,106 of land which is held by 100 Topeka Street Realty Trust (the "Trust"). GBFB is the sole beneficiary of the Trust and will be the recipient of this land at the termination of the Trust agreement in May 2024. The sole trustee of the Trust is an officer of GBFB.

Note 9 - Retirement plans

GBFB has a qualified defined contribution retirement savings plan (the "Plan") for all eligible employees. Employees have the ability to contribute pretax and after-tax dollars and may invest in mutual funds through Principal Financial Group.

At GBFB's discretion, an employer matching contribution is approved each year. For fiscal years 2024 and 2023, the match is 25 cents for every one dollar contributed up to 8% of an employee's gross compensation. While GBFB expects to continue the Plan indefinitely, the Plan's Co-Fiduciary Committee Members reserve the right to modify, amend or terminate the Plan. GBFB's discretionary matching contributions under the Plan amounted to \$201,355 and \$194,631 for the years ended September 30, 2024 and 2023, respectively.

In December 2013, GBFB established a nonqualified supplemental retirement plan for key management employees who meet the Plan's eligibility requirements. GBFB has recorded the corresponding asset and liability. The deferred compensation obligation which is included in accrued expenses was \$1,088,221 and \$787,677 as of September 30, 2024 and 2023, respectively. The retirement plan is in conformity with Code Section 457(b).

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2024 and 2023**

Note 10 - Fair value measurements

GBFB has characterized its financial assets into a three-level fair value hierarchy based on the priority of the inputs used to value these assets. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities ("Level 1"), and the lowest priority to unobservable inputs ("Level 3"). If the inputs used to measure the financial assets fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the asset. Financial assets recorded in the consolidated statements of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1: These are assets where values are based on unadjusted quoted prices for identical assets in an active market to which GBFB has access.

Level 2: These are assets where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: These are assets where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect the assumptions of management about assumptions market participants would use in pricing the investments.

The fair value of GBFB's investments that are reported in the accompanying consolidated statement of financial position as of September 30, 2024 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Corporate bonds	\$ 1,589,643	\$ -	\$ -	\$ 1,589,643
Government bonds	8,515,493	-	-	8,515,493
Stocks and Exchange Traded Fund	481,045	-	-	481,045
457(b) Plan	1,088,220	-	-	1,088,220
U.S. Treasury Securities:				
Treasury bills	6,858,635	-	-	6,858,635
Treasury bonds	12,330,158	-	-	12,330,158
	<u>\$ 30,863,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,863,195</u>
Total	<u>\$ 30,863,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,863,195</u>

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2024 and 2023**

As of September 30, 2024, GBFB's investments in debt securities by contractual maturities are follows:

Investment type	Fair market value	Investment maturities (in years)		
		Less than 1	1-5	Greater than 5
U.S. Treasury Securities:				
Treasury bills	\$ 6,858,635	\$ 6,858,635	\$ -	\$ -
Treasury bonds	12,330,158	-	12,330,158	-
	<u>\$ 19,188,793</u>	<u>\$ 6,858,635</u>	<u>\$ 12,330,158</u>	<u>\$ -</u>

The fair value of GBFB's investments that are reported in the accompanying consolidated statement of financial position as of September 30, 2023 were as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Corporate bonds	\$ 1,403,586	\$ -	\$ -	\$ 1,403,586
Government bonds	13,924,840	-	-	13,924,840
Stocks and Exchange Traded Fund	352,950	-	-	352,950
457(b) Plan	787,677	-	-	787,677
U.S. Treasury Securities:				
Treasury bills	6,001,759	-	-	6,001,759
Treasury bonds	11,923,533	-	-	11,923,533
Total	<u>\$ 34,394,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,394,345</u>

As of September 30, 2023, GBFB's investments in debt securities by contractual maturities are follows:

Investment type	Fair market value	Investment maturities (in years)		
		Less than 1	1-5	Greater than 5
U.S. Treasury Securities:				
Treasury bills	\$ 6,001,759	\$ 6,001,759	\$ -	\$ -
Treasury bonds	11,923,533	-	11,923,533	-
	<u>\$ 17,925,292</u>	<u>\$ 6,001,759</u>	<u>\$ 11,923,533</u>	<u>\$ -</u>

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

Investments in mutual funds and US Treasury Securities are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Such prices represent the net asset value of shares held by GBFB at year-end.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although GBFB believes its valuation methods are appropriate and consistent with other market participants, the use of different

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
September 30, 2024 and 2023**

methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 11 - Contributed services

Donated services are recognized as support if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. GBFB recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. During the years ended September 30, 2024 and 2023, the Organization received the following donated services:

	2024	2023
Professional services	\$ 590,941	\$ 265,768
Consulting	135,000	11,190
Advertising	2,327,688	144,742
Fundraising	-	101,700
Transportation	14,156	40,000
Total	\$ 3,070,685	\$ 563,400

All donated services were utilized by the GBFB's programs and supporting services. There were no donor-imposed restrictions associated with the donated services. Donated services are valued at the standard hourly rates charged for those services.

Note 12 - Rental income

In March 2012, GBFB, as the lessor, entered into a lease agreement with an unrelated third party. The lease required monthly rental payments of \$18,000 through March 2020. Effective November 6, 2018, GBFB entered into the First Amendment to Sublease with an unrelated third party. Per the terms of this Amendment, the lessee has two remaining options to extend the lease agreement for an additional five years each (expiring March 31, 2025 and 2030, respectively), and has an option to extend the sublease for one additional 10-year renewal term to commence on April 1, 2030.

Future payments to be received under this rental agreement for the years subsequent to September 30, 2024 are as follows:

Years ending September 30,	Amount
2025	\$ 119,070
Total	\$ 119,070

Included in the rental expense for the years ended September 30, 2024 and 2023 is depreciation expense totaling \$11,835.

The Greater Boston Food Bank, Inc. and Subsidiary

Notes to Consolidated Financial Statements September 30, 2024 and 2023

Note 13 - Related party transactions

GBFB leases its warehouse and office facilities from GBFB Realty, Inc., which is part of the consolidated group, under a 30-year lease expiring June 30, 2039.

The lease provides for annual lease payments of \$1,000 for the remaining term of the lease agreement. Total lease payments for the years ended September 30, 2024 and 2023 was \$1,000 for each year and has been eliminated during consolidation.

Note 14 - Concentrations of risk

For the years ended September 30, 2024 and 2023, approximately 21% and 18%, respectively, of GBFB's total support and revenues were derived from MEFAP.

For the years ended September 30, 2024 and 2023, approximately 28% and 32%, respectively, of GBFB's total food purchases were from three vendors.

For the years ended September 30, 2024 and 2023, approximately 16% and 13%, respectively, of the total food distributed was MEFAP food. For the years ended September 30, 2024 and 2023, approximately 16% and 11%, respectively, of the total food distributed was USDA food.

Note 15 - Fiscal Sponsorship - asset transfer

The Organization entered into an Asset Transfer Agreement effective December 1, 2023 with Health Resources in Action, Inc (the "Transferee"), an unrelated nonprofit corporation, to transfer the Program Assets of the Organization's program known as the Hunger to Health Collaboratory (the "Program") to the Transferee. Under the Asset Transfer Agreement the Program transitioned from the Organization and was carried out as a sponsored project of the Transferee, pursuant to the Asset Transfer Agreement and the Fiscal Sponsorship Agreement dated as of November 28, 2023. The Asset Transfer Agreement also provides for a 24 month clawback, if the Transferee breaches the Asset Transfer Agreement or a material provision of the Fiscal Sponsorship Agreement. As of September 30, 2024, the Organization has transferred Program Assets in the amount of \$1,957,583 to the Transferee, which is reported as an other change in net assets on the accompanying Consolidated Statements of Changes in Net Assets.

Note 16 - Commitments

The Organization entered a construction contract with Consigli Construction Co., Inc., an unrelated party, dated October 31, 2023. The final contract value amounts to \$5,176,339, including approved change orders of \$1,296,786. As of September 30, 2024, costs of \$4,757,192 have been incurred, of which \$1,169,259 remains payable, including retainage of \$469,102.

The Greater Boston Food Bank, Inc. and Subsidiary

**Schedule of Expenditures of Federal Awards of the Greater Boston Food Bank, Inc.
Year Ended September 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
Department of Agriculture Passed through from the Massachusetts Department of Elementary and Secondary Education, Office for Nutrition, Health and Safety Programs Food Distribution Cluster				
Commodity Supplemental Food Program (Administrative Costs)	10.565	7053-2125	\$ -	\$ 252,486
Commodity Supplemental Food Program (Food Commodities)	10.565	7053-2125	967,009	967,009
Emergency Food Assistance Program (Administrative Costs)	10.568	N/A	-	2,451,161
Emergency Food Assistance Program (TEFAP - Reach & Resiliency)	10.568	N/A	341,791	921,310
Emergency Food Assistance Program (Food Commodities)	10.569	N/A	<u>26,651,352</u>	<u>26,651,352</u>
 Total Department of Agriculture - Food Distribution Cluster			<u>27,960,152</u>	<u>31,243,318</u>
Department of Treasury Passed through from the Massachusetts Department of Agricultural Resources' Local Food Assistance Program Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	100,000
 Total Department of Treasury			<u>-</u>	<u>100,000</u>
Department of Health and Human Services Passed through from The General Hospital Corporation d/b/a Massachusetts General Hospital Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840	N/A	-	5,289
 Total Department of Health and Human Services			<u>-</u>	<u>5,289</u>
 Total expenditures of federal awards			<u>\$ 27,960,152</u>	<u>\$ 31,348,607</u>

See Notes to Schedule of Expenditures of Federal Awards.

The Greater Boston Food Bank, Inc. and Subsidiary

**Notes to Schedule of Expenditures of Federal Awards
September 30, 2024**

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes federal award activity of The Greater Boston Food Bank, Inc. (the "Organization") under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of The Greater Boston Food Bank, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Greater Boston Food Bank, Inc.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect cost rate

The Organization has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Value of noncash and cash expenditures

During the year ended September 30, 2024, the Organization distributed 18,573,882 pounds of USDA foodstuffs. Total federal expenditures for the year ended September 30, 2024 are as follows:

Total value of noncash expenditures	\$ 27,618,361
Cash expenditures	<u>3,730,246</u>
Total federal expenditures	<u>\$ 31,348,607</u>

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
The Greater Boston 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 consolidated financial statements of The Greater Boston Food Bank, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 12, 2025. The financial statements of GBFB Realty, Inc. were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with GBFB Realty, Inc.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered The Greater Boston Food Bank, Inc.'s internal control over financial reporting as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Greater Boston Food Bank, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Greater Boston Food Bank, Inc.'s internal control over financial reporting.

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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Greater Boston Food Bank, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Braintree, Massachusetts
February 12, 2025

Independent Auditor's Report on Compliance for the Major Federal Program; and
Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
The Greater Boston Food Bank, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited The Greater Boston Food Bank, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on The Greater Boston Food Bank, Inc.'s major federal program for the year ended September 30, 2024. The Greater Boston Food Bank, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Greater Boston Food Bank, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); 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 Greater Boston Food Bank, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of The Greater Boston Food Bank, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Greater Boston Food Bank, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on The Greater Boston Food Bank, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *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 Greater Boston Food Bank, Inc.'s compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Greater Boston Food Bank, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Greater Boston Food Bank, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Greater Boston Food Bank, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

Braintree, Massachusetts
February 12, 2025

The Greater Boston Food Bank, Inc. and Subsidiary

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2024**

I. Summary of Auditor's Results:

Financial Statements:

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiencies(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards:

Internal control over major programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major program:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.565, 10.568, 10.569	Food Distribution Cluster

Dollar threshold used to distinguish between type A and type B programs

\$940,458

Auditee qualified as low-risk auditee?

X yes _____ no

The Greater Boston Food Bank, Inc. and Subsidiary

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2024**

II. Financial Statements Findings

None reported.

III. Federal Award Findings and Questioned Costs

None reported.



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