Report of Independent Auditors
and Financial Statements

FOOD Share, Inc.

June 30, 2025 and 2024

bakertilly

Table of Contents

Report of Independent Auditors

The Board of Directors
FOOD Share, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FOOD Share, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FOOD Share, Inc. as of June 30, 2025 and 2024, and the changes of 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). 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 FOOD Share, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 FOOD Share, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FOOD Share, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Baker Tilly US, LLP

Irvine, California
August 27, 2026

Financial Statements

FOOD Share, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 1,024,744	$ 1,063,065
Contributions, grants, and other receivables, net	4,482,562	5,010,693
Investments	17,665,522	15,020,561
Prepaid expenses and deposits	172,975	143,897
Food inventory	1,976,019	1,909,872
Property and equipment, net	15,056,266	14,429,225
Operating right-of-use (ROU) asset	477,279	246,914
Finance ROU asset	122,148	163,459
Total assets	$ 40,977,515	$ 37,987,686
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	$ 583,540	$ 796,634
Operating lease liability	477,279	246,914
Finance lease liability	47,026	65,216
Total liabilities	1,107,845	1,108,764
NET ASSETS		
Without donor restrictions – undesignated	21,617,327	20,751,383
Without donor restrictions – Board-designated	432,053	422,694
Total net assets without donor restrictions	22,049,380	21,174,077
With donor restrictions	17,820,290	15,704,845
Total net assets	39,869,670	36,878,922
Total liabilities and net assets	$ 40,977,515	$ 37,987,686

See accompanying notes.

FOOD Share, Inc.
Statements of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND SUPPORT			
Donated food	$ 20,159,510	$ 10,295,518	$ 30,455,028
Contributions	5,708,760	2,422,783	8,131,543
In-kind contributions	52,807	-	52,807
Grants and contracts	4,059,364	-	4,059,364
Special events (net of direct donor benefit expenses of approximately $154,000)	251,234	-	251,234
Other	58,332	-	58,332
Investment return, net	925,681	23,521	949,202
Gain on disposal of property and equipment	2,900	-	2,900
Net assets released from donor restrictions	10,626,377	(10,626,377)	-
Total revenue, gains, and support	41,844,965	2,115,445	43,960,410
EXPENSES			
Program services	38,023,403	-	38,023,403
Fundraising	1,721,091	-	1,721,091
Management and general	1,225,168	-	1,225,168
Total expenses	40,969,662	-	40,969,662
CHANGE IN NET ASSETS	875,303	2,115,445	2,990,748
NET ASSETS, beginning of year	21,174,077	15,704,845	36,878,922
NET ASSETS, end of year	$ 22,049,380	$ 17,820,290	$ 39,869,670

See accompanying notes.

FOOD Share, Inc.
Statements of Activities
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND SUPPORT			
Donated food	$ 19,647,644	$ 10,172,899	$ 29,820,543
Contributions	5,544,712	6,501,901	12,046,613
In-kind contributions	46,105	-	46,105
Grants and contracts	2,911,860	500,000	3,411,860
Special events (net of direct donor benefit expenses of approximately $157,000)	344,638	-	344,638
Other	32,028	-	32,028
Investment return, net	889,858	(44,911)	844,947
Gain on disposal of property and equipment	1,682	-	1,682
Net assets released from donor restrictions	9,991,293	(9,991,293)	-
Total revenue, gains, and support	39,409,820	7,138,596	46,548,416
EXPENSES			
Program services	36,232,173	-	36,232,173
Fundraising	1,181,328	-	1,181,328
Management and general	1,267,317	-	1,267,317
Total expenses	38,680,818	-	38,680,818
CHANGE IN NET ASSETS	729,002	7,138,596	7,867,598
NET ASSETS, beginning of year	20,445,075	8,566,249	29,011,324
NET ASSETS, end of year	$ 21,174,077	$ 15,704,845	$ 36,878,922

See accompanying notes.

FOOD Share, Inc.
Statements of Functional Expenses
Year Ended June 30, 2025

	Program Services					
	Agency Distribution	CSFP, EFAP, and Other	Total Program Services	Fundraising	Management and General	Total Expenses
Food distribution, fees, and processing*	$ 23,882,943	$ 9,836,208	$ 33,719,151	$ -	$ -	$ 33,719,151
Salaries	1,530,315	816,197	2,346,512	661,117	811,290	3,818,919
Contract services	134,891	68,421	203,312	160,922	36,881	401,115
Grants to other organizations	31,744	-	31,744	-	-	31,744
Other	501,713	230,280	731,993	420,295	272,741	1,425,029
Printing and mailing	13,107	6,727	19,834	315,247	12,053	347,134
Vehicle and equipment	197,131	106,866	303,997	8,427	-	312,424
Depreciation	201,024	107,172	308,196	42,685	25,378	376,259
Insurance	60,522	32,266	92,788	48,214	28,665	169,667
Utilities	174,264	91,612	265,876	64,184	38,160	368,220
Total	$ 26,727,654	$ 11,295,749	$ 38,023,403	$ 1,721,091	$ 1,225,168	$ 40,969,662

*Includes distributed food of $33,453,182 (see Note 3)

See accompanying notes.

FOOD Share, Inc.
Statements of Functional Expenses
Year Ended June 30, 2024

	Program Services					
	Agency Distribution	CSFP, EFAP, and Other	Total Program Services	Fundraising	Management and General	Total Expenses
Food distribution, fees, and processing*	$ 22,339,751	$ 9,622,300	$ 31,962,051	$ -	$ -	$ 31,962,051
Salaries	1,103,682	891,525	1,995,207	515,218	857,013	3,367,438
Contract services	190,097	114,669	304,766	136,992	66,938	508,696
Grants to other organizations	53,224	-	53,224	-	-	53,224
Other	515,852	230,302	746,154	205,433	311,689	1,263,276
Printing and mailing	21,011	11,813	32,824	297,680	1,144	331,648
Vehicle and equipment	178,382	133,040	311,422	37	-	311,459
Depreciation	256,907	116,180	373,087	14,797	12,422	400,306
Insurance	95,630	64,211	159,841	5,508	4,624	169,973
Utilities	187,380	106,217	293,597	5,663	13,487	312,747
Total	$ 24,941,916	$ 11,290,257	$ 36,232,173	$ 1,181,328	$ 1,267,317	$ 38,680,818

*Includes distributed food of $31,759,243 (see Note 3)

See accompanying notes.

FOOD Share, Inc.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,990,748	$ 7,867,598
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities		
Depreciation	376,259	400,306
Amortization of finance ROU assets	41,311	48,092
Gain on disposal of property and equipment	(2,900)	(1,682)
Non-cash change in net present value of contributions	(86,543)	(487,925)
Donated food received	(30,455,028)	(29,820,543)
Donated and purchased food distributed	33,453,182	31,759,243
Unrealized gain on investments	(647,961)	(385,966)
(Increase)/decrease in operating assets		
Contributions, grants, and other receivables	614,674	(3,073,894)
Prepaid expenses and deposits	(29,078)	38,405
Purchased food inventory	(3,064,301)	(2,342,977)
(Decrease)/increase in operating liabilities		
Accounts payable and accrued liabilities	(213,094)	370,350
Net cash provided by operating activities	2,977,269	4,371,007
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,003,300)	(4,230,863)
Proceeds from the sale of property and equipment	2,900	1,682
Purchase of and reinvestment in investments net of fees	(1,997,000)	(6,029,086)
Net cash used in investing activities	(2,997,400)	(10,258,267)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance leases	(18,190)	(24,445)
Net cash used in financing activities	(18,190)	(24,445)
CHANGE IN CASH AND CASH EQUIVALENTS	(38,321)	(5,911,705)
CASH AND CASH EQUIVALENTS, beginning of year	1,063,065	6,974,770
CASH AND CASH EQUIVALENTS, end of year	$ 1,024,744	$ 1,063,065
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 1,963	$ 2,672

See accompanying notes.

Note 1 – Nature of Organization

FOOD Share, Inc. (FOOD Share) is a California nonprofit corporation dedicated to feeding, nourishing, and educating the community about hunger, advocating for a reduction of the root causes of hunger, and searching for solutions. FOOD Share distributes millions of pounds of nutritious food every year both through its own direct programs, such as Senior Kits, drive-thru distributions, and Kids' Farmers' Market, as well as through distribution via its network of partner agencies. Utilizing a workforce of nearly 3,900 volunteers, FOOD Share is able to reach the estimated one in four people in Ventura County considered food insecure.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) on the accrual basis of accounting; consequently, revenues and gains are recognized when earned, and expenses are recognized when incurred regardless of the timing of cash flows.

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

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor-imposed restrictions. The Board of Directors (the Board) has designated, from net assets without donor restrictions, net assets for a Board-designated endowment. Refer to Note 8.

- *Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and cash equivalents – FOOD Share maintains its cash in bank deposit accounts with five different banks and other investment accounts, which, at times, may exceed federally insured limits. FOOD Share has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on these accounts. For the purpose of the statements of cash flows, FOOD Share considers all temporary, short-term, highly liquid investments purchased with original maturities of three months or less to be cash.

Contributions, grants, and other receivables – Receivables are recorded when performance obligations are met for exchange transactions, when unconditionally pledged by others, or when conditions are met for conditional contributions. They represent claims against third parties that will be settled in cash or from donated securities for certain contributions. The allowance for doubtful accounts, if applicable, is estimated based on historical collection trends, type of payor, the age of outstanding receivables, and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances, and the allowance is adjusted accordingly. Past-due receivable balances are written off when internal collection efforts have been unsuccessful in collecting the amount due. The receivable balance outstanding as of June 30, 2025 and 2024, consists primarily of unconditional contributions from individuals, corporations, or other not-for-profit organizations and from government contract receivables due from county, state, and federal granting agencies for conditional grants that have met the criteria for revenue recognition.

Management evaluated the collectability of accounts receivable as of June 30, 2025 and 2024 and determined that no allowance was considered necessary.

Investments – Investments in money market accounts, U.S. treasuries, and domestic equity securities are carried at fair value based on quoted prices in active markets or, if there are no such active markets, the investments are valued using quoted prices from similar assets or quoted prices that are not active. Investments also include cash that is held in investment accounts that is intended to be held for long-term purposes or to be reinvested in securities subsequent to year end.

Unrealized gains and losses reflect the changes in the fair values of investments from the prior year. Investment income, net of investment expenses and gains and losses on investments, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or use of endowment funds has not been appropriated. The date of record for investments is the trade date.

Where permitted by law, FOOD Share pools investments for management purposes. Remaining investments are managed as separate investments.

Food inventory – Food inventory is recorded at cost if purchased, or at fair value if donated. Inventory is expensed when the food is distributed. Fair value for donated food is determined with reference to studies performed by Feeding America.

Property and equipment – Property and equipment are recorded at cost if purchased or at fair value at the date of donation, if donated. Depreciation is provided over the estimated useful lives of the related assets on a straight-line basis as follows:

Buildings and improvements	27–40 years
Equipment	5 years
Automobiles and trucks	7 years

Expenditures for maintenance and repairs are charged to operations as incurred while renewals and betterments are capitalized. Property and equipment are capitalized if the cost of an asset is greater than or equal to $1,000 and the useful life is greater than one year.

Long-lived assets – FOOD Share reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flow is less than the carrying amount of the assets, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the years ended June 30, 2025 and 2024.

Leases – In the ordinary course of business, FOOD Share leases warehouse space, vehicles, and equipment for operations. FOOD Share assesses whether an agreement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the agreement are changed. The lease expense for these leases is recognized on a straight-line basis over the lease term. FOOD Share has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less are not recorded on the statement of financial position, unless the terms contain a purchase option which FOOD Share is reasonably certain to exercise.

Transactions give rise to leases when FOOD Share receives substantially all the economic benefits from and can direct the use of specified property and equipment. FOOD Share determines if an agreement is a lease at inception. The lease assets and liabilities were calculated using the risk-free rate according to FOOD Share's elected policy. For finance leases, interest expense is recognized, using the effective interest-rate method over the term of the leases, and ROU assets are depreciated on a straight-line basis over the term of the leases.

ROU assets represent FOOD Share's right to use, or control the use of, a specified asset for the lease term. Lease liabilities are FOOD Share's obligation to make lease payments arising from a lease and are measured on a discounted basis. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term on the commencement date. The operating lease ROU asset includes lease payments made, initial direct costs incurred, and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that FOOD Share will exercise that option. The lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Revenue recognition

Donated food – FOOD Share receives a significant amount of contributed food inventory. In addition to donations of food from the local agriculture community and retail partners, Food Share also receives contributed food from the United States Department of Agriculture (USDA), which allocates food commodities to FOOD Share under the Emergency Food Assistance Program (EFAP) and the Commodity Supplemental Food Program (CSFP). Under these programs, food commodities are distributed without cost to all eligible participants within the approved service areas. All donated food is valued at fair value, which is determined by FOOD Share with reference to studies performed by Feeding America.

Feeding America, the national food bank network which sets the standards for fiscal operations of food banks, valued commodities at $1.90 per pound for the year ended June 30, 2025, and at $1.97 per pound for the year ended June 30, 2024. The donated commodities distributed includes spoilage and shrinkage for the years ended June 30, 2025 and 2024, of $477,097 and $591,126, respectively.

Contributions – FOOD Share recognizes contributions when cash, securities, other assets, unconditional promises to give, and notifications of beneficial interest are received. Contributions receivable are discounted to their present value when payments are expected in future periods exceeding one year. These rates are based on the risk-free rate at the time the gift is promised and ranged from 3.47% to 4.96% for the year ended June 30, 2025. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions. An allowance for uncollectible contributions receivable is provided based upon management's judgement considering factors such as history, type of contribution, and nature of fundraising activity. There were no allowances for uncollectible amounts estimated for the year ended June 30, 2025.

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. Intentions to give are not included as support until payments are made or enforceable promises to give are executed.

In-kind contributions – Contributions of donated services are recognized if the services received:

(a) create or enhance long-lived assets; or

(b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

(Unaudited) Additionally, a substantial number of volunteers have donated significant amounts of their time to FOOD Share. Some of the services that these individuals rendered, however, do not meet the above criteria and, as such, are not recognized as revenue. However, during the years ended June 30, 2025 and 2024, volunteers donated more than 44,300 and 44,200 hours, respectively, valued at an estimated $1,852,000 and $1,766,000, respectively. (The value of volunteer time is calculated by The Independent Sector based on the average hourly earnings of all production and non-supervisory workers on private non-farm payrolls, as determined by the Bureau of Labor Statistics in the State of California.)

Grants and contracts – FOOD Share receives grants and contracts from various federal, state, and local government funding sources. These funds are to be spent on specific purposes. Many of the grants are subject to annual budget negotiations and availability of funds. The revenue from grants and contracts that are nonreciprocal is treated like contributions. If the grant or contract is conditional, and therefore a barrier to entitlement exists, revenue is recognized as an increase to net assets without donor restrictions only when the barrier is considered overcome and as allowable expenditures under such agreements are incurred.

Consequently, revenue for these transactions is recognized as expenditures are incurred. Any difference between expenses incurred and total funds received (not to exceed the grant maximum) is recorded as advances on conditional grants. Advances on conditional grants are recognized as revenue in future periods as services are performed.

Special events – Revenues from special events consist of contributions, sponsorships, and registration fees. Revenue from sponsorships and registration fees are deferred and recognized once the event has occurred.

Advertising and marketing – FOOD Share makes the public aware of its outreach and food distribution programs through various forms of marketing and media. These costs are charged as incurred. Total advertising and marketing expenses were approximately $202,000 and $243,000 for the years ended June 30, 2025 and 2024, respectively, and are included within other expenses on the statements of functional expenses.

Income taxes – FOOD Share is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, FOOD Share recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the years ended June 30, 2025 and 2024, FOOD Share performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements, or which might have an effect on its tax-exempt status.

Fair value measurements – FOOD Share has implemented the fair value accounting standard for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates, and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

There have been no changes in the techniques and inputs used in valuing assets for the years ended June 30, 2025 and 2024. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the measurement has been determined based on the lowest level input that is significant. The assessment of the significance requires judgement.

While FOOD Share believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different estimate at the reporting date.

Investment policies, strategies, goals, and asset allocation are established by the Finance Committee of the Board of Directors. FOOD Share engages an outsourced advisor to assist in the development of investment policies, strategies, and asset allocation, as well as monitoring investment performance.

The following is a description of the instruments measured at fair value as well as a general classification of such instruments pursuant to the valuation hierarchy described above.

Money market accounts – Carrying amounts approximated their fair values because of the terms of each investment and the relatively short maturity of these financial instruments.

U.S. Treasuries – Valued at the closing price reported on the major market on which the individual security is traded or has reported broker trades which may be considered indicative of an active market. Where quoted prices are available in an active market, the investments are classified as Level 1 on the valuation hierarchy.

Domestic equity securities – These investments consist of U.S. stocks which have readily available and determinable market values and are based on quoted market prices.

Beneficial interest in assets held by Ventura County Community Foundation – The fair value of funds held at the Ventura County Community Foundation (VCCF) is based on the unit value of FOOD Share's interest in the pool in which it has invested. The unit value is based on the fair value of the underlying assets in the pool as reported to FOOD Share by VCCF unless specific evidence indicates that the unit value should be adjusted. The oversight of the investment portfolio is the responsibility of the VCCF Finance Committee whose members are appointed by and serve the VCCF Board of Directors (VCCF Board), and who administer the investment portfolio in compliance with written policies approved by the VCCF Board. Annual distributions are subject to the policies of VCCF. The methods used to produce the fair value may not be indicative of net realizable value or reflective of future values.

Functional allocation of expenses – The costs of providing FOOD Share's programs and other activities have been summarized on a functional basis in the statements of activities and presented by natural classification in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Food distribution, fees, and processing are allocated based on the poundage of food distributed. All other expenses that cannot be directly attributed to a function are accumulated and allocated based on direct costs for that respective program.

Use of estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

Reclassifications – Certain amounts presented in the prior year comparative financial statement have been reclassified to conform to the current year presentation. These reclassifications had no effect on the change in net assets or total net assets.

Subsequent events – FOOD Share has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2025, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through August 27, 2026, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

Note 3 – Food Inventory

Changes in food inventory during the years ended June 30, 2025 and 2024, are summarized as follows:

	2025			
Dollar value	Beginning Food Inventory	Food Acquired	Food Distributed	Ending Food Inventory
CSFP and EFAP	$ 1,303,388	$ 8,805,793	$ 8,999,298	$ 1,109,883
Other donated	405,568	21,649,235	21,553,237	501,566
Purchased	200,916	3,064,301	2,900,647	364,570
Total	$ 1,909,872	$ 33,519,329	$ 33,453,182	$ 1,976,019
Weight (measured in pounds)	Beginning Food Inventory	Food Acquired	Food Distributed	Ending Food Inventory
CSFP and EFAP	675,331	4,701,654	4,813,593	563,392
Other donated	210,154	10,997,655	10,978,043	229,766
Purchased	291,592	5,599,485	5,427,424	463,653
Total	1,177,077	21,298,794	21,219,060	1,256,811

	2024			
Dollar value	Beginning Food Inventory	Food Acquired	Food Distributed	Ending Food Inventory
CSFP and EFAP	$ 955,285	$ 9,672,522	$ 9,324,419	$ 1,303,388
Other donated	457,230	20,148,021	20,199,683	405,568
Purchased	93,080	2,342,977	2,235,141	200,916
Total	$ 1,505,595	$ 32,163,520	$ 31,759,243	$ 1,909,872
Weight (measured in pounds)	Beginning Food Inventory	Food Acquired	Food Distributed	Ending Food Inventory
CSFP and EFAP	458,961	5,058,673	4,842,303	675,331
Other donated	235,757	10,440,141	10,465,744	210,154
Purchased	160,817	4,750,258	4,619,483	291,592
Total	855,535	20,249,072	19,927,530	1,177,077

Note 4 – Contributions, Grants, and Other Receivables

Contributions, grants, and other receivables as of June 30 consisted of:

	2025	2024
Grants and other receivables	$ 684,977	$ 1,553,187
Contributions receivable	4,421,604	3,994,982
Net present value discount	(624,019)	(537,476)
	$ 4,482,562	$ 5,010,693
Amounts due in		
Less than one year	$ 1,698,781	$ 2,588,469
One to five years	2,783,781	2,422,224
	$ 4,482,562	$ 5,010,693

Note 5 – Investments

The following tables present the fair value measurements of assets measured at fair value on a recurring basis and the corresponding fair value hierarchy as of June 30:

	2025			
	Level 1	Level 2	Level 3	Total
Money market accounts	$ 5,450,901	$ -	$ -	$ 5,450,901
U.S. Treasuries	10,417,218	-	-	10,417,218
Domestic equity securities	12,942	-	-	12,942
Beneficial interest in assets held by Ventura County Community Foundation	-	-	1,517,919	1,517,919
Cash and cash equivalents	266,542	-	-	266,542
Total investments	$ 16,147,603	$ -	$ 1,517,919	$ 17,665,522

	2024			
	Level 1	Level 2	Level 3	Total
Money market accounts	$ 5,025,006	$ -	$ -	$ 5,025,006
U.S. Treasuries	8,156,575	-	-	8,156,575
Domestic equity securities	15,072	-	-	15,072
Beneficial interest in assets held by Ventura County Community Foundation	-	-	1,485,039	1,485,039
Cash and cash equivalents	338,869	-	-	338,869
Total investments	$ 13,535,522	$ -	$ 1,485,039	$ 15,020,561

Investment return, net of investment expenses, consisted of the following for the years ended June 30:

	2025	2024
Dividends and interest	$ 322,382	$ 423,358
Unrealized gains	647,961	385,966
Realized gains	53,252	99,159
Investment advisor fees	(74,393)	(63,536)
Total	$ 949,202	$ 844,947

The following table is a reconciliation of the change in investments for which Level 3 inputs were used to determine fair value as of June 30, 2025 and 2024:

	2025	2024
Beginning balance as of July 1	$ 1,485,039	$ 1,547,820
Contributions	-	-
Withdrawals	(102,593)	(197,655)
Management fees	(26,080)	(22,777)
Investment return	161,553	157,651
Ending balance as of June 30	$ 1,517,919	$ 1,485,039

Note 6 – Property and Equipment

Property and equipment consist of the following as of June 30:

	2025	2024
Land	$ 10,785,660	$ 10,785,660
Buildings and improvements	4,721,689	4,721,689
Equipment	1,012,894	963,372
Automobiles and trucks	1,423,372	1,121,780
Furniture and fixtures	22,693	22,693
Construction in progress	1,321,672	683,248
Total	19,287,980	18,298,442
Less: accumulated depreciation	(4,231,714)	(3,869,217)
Property and equipment, net	$ 15,056,266	$ 14,429,225

Depreciation expense for the years ended June 30, 2025 and 2024, was $376,258 and $400,306, respectively. There were no significant commitments for construction as of June 30, 2025.

Note 7 – Line of Credit Facility

In August 2022, FOOD Share entered into a master loan agreement with a borrowing capacity of $6.8 million that matures in August 2032. The loan is secured by certain land located in Oxnard, California and any rental income generated from the property. Any future borrowings under the master loan agreement would be subject to mutually agreed-upon terms, including the applicable interest rate, at the time of the borrowing. FOOD Share did not draw on the loan during the years ended June 30, 2025 and 2024 and therefore there were no outstanding amounts were due as of June 30, 2025 and 2024, respectively.

Note 8 – Endowments

FOOD Share has established two endowment funds at VCCF through the transfer of certain funds with and without donor restrictions to VCCF. FOOD Share's board has interpreted the California Prudent Management of Institutional Funds Act (CPMIFA) as requiring the preservation of the fair value of each original endowment gift absent explicit donor stipulations to the contrary. As a result of this interpretation, FOOD Share has classified as net assets with donor restrictions (a) the original value of gifts donated to the endowment and held in perpetuity, (b) the original value of subsequent gifts to the endowment with donor restrictions, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted endowment income and accumulated gains and losses are classified as net assets with donor restrictions until amounts are appropriated for expenditure by FOOD Share in a manner consistent with the standard of prudence prescribed by CPMIFA.

In accordance with CPMIFA, FOOD Share considers the following factors in making a determination to appropriate or accumulate endowment funds: the duration and preservation of the fund; the purpose of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other FOOD Share resources; and the investment policies of FOOD Share.

Return objectives and risk parameters – FOOD Share has adopted endowment investment and spending policies that attempt to generate a return to cover the projected annual appropriations while maintaining the principal value of the endowment over a long investment horizon. Due to the longer investment horizon, the portfolio is held in a beneficial interest of the VCCF operating endowment. This investment is focused on both capital appreciation and current income.

Strategies employed for achieving investment objectives – To achieve its long-term rate of return objectives, FOOD Share relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). FOOD Share believes that its investment held with VCCF will achieve its long-term objectives with prudent risk constraints.

The table below sets forth a summary of the composition of the VCCF endowment funds as of June 30, 2025 and 2024, as well as the changes in fair value for the years then ended.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Asset Composition by Type of Fund as of June 30, 2025			
Board-designated	$ 432,053	$ -	$ 432,053
Donor-restricted	-	1,085,866	1,085,866
	$ 432,053	$ 1,085,866	$ 1,517,919
Changes in Endowment Net Assets for the Year Ended June 30, 2025			
Endowment net assets, beginning of year	$ 422,694	$ 1,062,345	$ 1,485,039
Distribution	(102,593)	-	(102,593)
Change in value of beneficial interest	111,952	23,521	135,473
Endowment net assets, end of year	$ 432,053	$ 1,085,866	$ 1,517,919

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Asset Composition by Type of Fund as of June 30, 2024			
Board-designated	$ 422,694	$ -	$ 422,694
Donor-restricted	-	1,062,345	1,062,345
	$ 422,694	$ 1,062,345	$ 1,485,039
Changes in Endowment Net Assets for the Year Ended June 30, 2024			
Endowment net assets, beginning of year	$ 440,564	$ 1,107,256	$ 1,547,820
Distribution	(197,655)	-	(197,655)
Change in value of beneficial interest	179,785	(44,911)	134,874
Endowment net assets, end of year	$ 422,694	$ 1,062,345	$ 1,485,039

Relationship of spending policy to investment objectives – The Board-designated endowment has been established to support general operations and any future budgetary deficits of FOOD Share and is available for distribution upon request from VCCF within a short period of time. Distributions from the donor-restricted endowment are subject to the endowment spending policy of VCCF and shall not exceed 5% of the fair value of the assets of the funds as determined using the average balance of the funds over the prior 12 quarters. FOOD Share received no distributions from the donor-restricted endowment for the years ended June 30, 2025 and 2024. Adjustments to the beneficial interest to reflect changes in the fair value are reflected in the statements of activities as investment return. These changes include interest and dividend income as determined by VCCF, realized and unrealized gains and losses, and are net of a VCCF support fee and other investment management fee.

Endowment net asset composition – Endowment net assets with donor restrictions consist of the following as of June 30:

	2025	2024
Held in perpetuity	$ 921,262	$ 921,262
Accumulated gains	164,604	141,083
Total endowment net assets with donor restrictions	$ 1,085,866	$ 1,062,345

Endowment funds with deficits – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). There were no funds with deficits as of June 30, 2025 and 2024.

Note 9 – Net Assets with Donor Restrictions

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

	2025	2024
Food Assistance Program (USDA Food Inventory)	$ 1,109,883	$ 1,303,388
Diaper bank	201,461	-
Assets and software	100,000	-
Food sourcing	595,137	1,053,952
Fundraising	20,000	-
Capital campaign	14,707,943	12,285,160
VCCF Endowment	1,085,866	1,062,345
Total net assets with donor restrictions	$ 17,820,290	$ 15,704,845

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the years ended June 30:

	2025	2024
Distribution of food inventory	$ 10,626,377	$ 9,754,192
Restricted for the passage of time	-	237,101
Total net assets released from donor restrictions	$ 10,626,377	$ 9,991,293

Note 10 – Donated Food, Professional Services, and Commodities

FOOD Share receives various forms of gifts-in-kind (GIK) including food and non-food items such as professional services. GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon estimates of fair value or wholesale values that would be received for selling the goods in their principal market considering their condition and utility at the time the foods are contributed by the donor. Donated GIK are not sold, and goods are only distributed for program use. Non-financial contributions were not monetized for the years ended June 30, 2025 and 2024.

Non-financial Contributions Category	Valuation	2025	2024
Food	Feeding America valuation	$ 30,455,028	$ 29,820,543
Professional services	Based on quoted rates for similar services	52,807	46,105
		$ 30,507,835	$ 29,866,648

Note 11 – Employee Benefit Plan

FOOD Share has established a 403(b) tax-sheltered annuity plan (the Plan) for its full-time employees. Full-time employees are eligible to participate in the plan and may contribute up to the maximum allowable by the Internal Revenue Code. FOOD Share matches up to 3% of salary for eligible and participating employees and also makes a one-time initial employer contribution of $500 for each new employee to start their retirement savings. FOOD Share contributed $56,713 and $56,135 to the plan during the years ended June 30, 2025 and 2024, respectively.

Note 12 – Leases

FOOD Share leases warehouse space, vehicles, and equipment under long-term operating and finance leases. FOOD Share’s long-term leases expire through April 2029.

The components of lease cost, which are included in other expenses on the statements of functional expenses, are as follows for the year ended June 30, 2025 and 2024:

	2025	2024
Lease expense		
Amortization of finance ROU assets	$ 41,311	$ 48,092
Interest on finance lease liabilities	1,963	2,672
Operating lease expense	192,492	195,180
Total lease expense	$ 235,766	$ 245,944

FOOD Share entered into agreements for two new operating ROU assets for approximately $374,000 and $40,000 in exchange for new operating lease liabilities of the same amounts for the year ended June 30, 2025. There were no new finance leases entered into during the year ended June 30, 2025.

For the year ended June 30, 2025, supplemental cash flow information related to long-term operating and financing leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities	2025	2024
Operating cash flows from finance leases (i.e. interest)	$ 1,963	$ 2,757
Financing cash flows from finance leases (i.e. principal portion)	18,190	24,445
Operating cash flows from operating leases	193,606	195,716

	Operating	Finance
Weighted-average remaining lease term	2.53 years	2.70 years
Weighted-average discount rate	3.67%	3.84%

Future minimum lease payments as of June 30, 2025, are as follows:

	Operating	Finance
Years Ending June 30,		
2026	$ 204,519	$ 22,347
2027	183,035	16,419
2028	113,588	15,433
Total lease payments	501,142	54,199
Less: imputed interest	(23,863)	(7,173)
Lease liabilities as of June 30, 2025	$ 477,279	$ 47,026

Note 13 – Commitments and Contingencies

FOOD Share's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and accordingly, no provision has been made in these financial statements.

Note 14 – Concentrations of Risk

Credit risk – Credit risk is the failure of a third party to perform according to contract terms. The potential credit risk for FOOD Share lies in concentrations of accounts receivable from granting agencies, contributions receivable from limited donors, and investments that are exposed to various risks such as interest rates, credit, and overall market volatility risks. While FOOD Share attempts to minimize its exposure to credit risk, it is reasonably possible that changes in the values of these investments will occur due to market volatility, which could materially impact FOOD Share's investment holdings, and the amounts reported in the financial statements.

Major grants and contributions revenues and receivables – Approximately $3.1 million or 74% of total grants and contracts revenue was received from three government agencies for the year ended June 30, 2025. Approximately $2.1 million or 35% of total grants and contracts revenue was received from two government agencies for the year ended June 30, 2024.

Additionally, as of June 30, 2025, approximately 33% of contributions, grants, and other receivables were due from two organizations, respectively. As of June 30, 2024, approximately 56% of contributions, grants, and other receivables were due from three organizations, respectively.

Related-party transactions – Approximately $142,000 of contributions recognized for the year ended June 30, 2025, were received from members of the Board. Approximately $200,000 of contributions recognized for the year ended June 30, 2024, were received from members of the Board.

Note 15 – Liquidity and Availability of Financial Resources

The total financial assets held by FOOD Share as of June 30, 2025 and 2024, and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

	2025	2024
Financial assets		
Cash	$ 1,024,744	$ 1,063,065
Contributions, grants, and other receivables, net	4,482,562	5,010,693
Investments	17,665,522	15,020,561
Financial assets as of June 30	23,172,828	21,094,319
Less those unavailable for general expenditures within one year due to		
Donor restrictions and board designations	17,142,460	14,824,151
Financial assets available to meet cash needs for general expenditures within one year	$ 6,030,368	$ 6,270,168

FOOD Share regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Feeding America requires FOOD Share to demonstrate unrestricted cash reserves equal to or greater than an average quarter's cash operating expenses or demonstrate positive working capital in each of the two preceding fiscal years. As of June 30, 2025 and 2024, FOOD Share was in compliance with this requirement.

As part of FOOD Share's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. As described in Note 8, FOOD Share also has a Board-designated endowment fund that could be drawn upon in the event of unanticipated liquidity needs.