

**FOOD FOR LANE COUNTY, INC.**

**FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2025 and 2024**



FOOD FOR LANE COUNTY, INC.  
FINANCIAL STATEMENTS  
For the Years Ended June 30, 2025 and 2024

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## INTRODUCTORY SECTION

FOOD FOR LANE COUNTY, INC.  
BOARD OF DIRECTORS  
June 30, 2025

Andrew Kalloch  
Chair

Anjit Kaur Anand  
Vice Chair

Michelle Thurston  
Secretary

Stephen Mallery  
Treasurer

Samantha Snyder  
Past Chair

Chris Hemmings  
Director

Colin Morgan  
Director

Caitlynn Hatteras  
Director

Laurie Hauber  
Director

Clinton Sandvick  
Director

Camilla Johnston  
Director

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
FOOD for Lane County, Inc.  
Eugene, Oregon

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of FOOD for Lane County, 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 financial statements referred to above present fairly, in all material respects, the financial position of FOOD for Lane County, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FOOD for Lane County, 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 opinions.

#### *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 for Lane County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FOOD for Lane County, 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 for Lane County, 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2025, on our consideration of FOOD for Lane County, 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 FOOD for Lane County, 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 FOOD for Lane County, Inc.'s internal control over financial reporting and compliance.



Jones & Roth, P.C.  
Eugene, Oregon  
November 14, 2025

## FINANCIAL STATEMENTS

FOOD FOR LANE COUNTY, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2025 and 2024

	2025	2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,050,160	\$ 4,305,044
Investments (Note 4)	4,772,040	4,378,212
Grants and program receivables (Note 5)	467,791	791,615
Promises to give receivable, current	-	26,396
Certificates of deposit, short-term	1,544,206	-
Inventory (Note 6)	833,475	1,157,388
Prepaid expenses	297,985	269,190
Total current assets	9,965,657	10,927,845
<b>Property and equipment, net (Note 7)</b>	12,986,169	13,147,798
<b>Other assets</b>		
Beneficial interest in the assets of OCF (Note 8)	2,605,714	2,312,396
Certificates of deposit, long-term	257,442	-
Restricted investments held for endowment fund	62,775	62,327
Total other assets	2,925,931	2,374,723
<b>Total assets</b>	\$ 25,877,757	\$ 26,450,366
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and other liabilities	\$ 274,151	\$ 348,563
Accrued payroll, vacation and related payroll liabilities	454,683	390,164
Total current liabilities	728,834	738,727
<b>Net assets</b>		
Without donor restrictions:		
Undesignated	5,106,901	5,706,829
Held as property and equipment	12,986,169	13,147,798
Board-designated (Note 10)	2,896,370	2,643,293
Total without donor restrictions	20,989,440	21,497,920
With donor restrictions (Note 11)	4,159,483	4,213,719
Total net assets	25,148,923	25,711,639
<b>Total liabilities and net assets</b>	\$ 25,877,757	\$ 26,450,366

The accompanying notes are an integral part of these statements.

FOOD FOR LANE COUNTY, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and other support</b>			
Contributions and promises to give	\$ 4,229,393	\$ 1,618,026	\$ 5,847,419
Corporate and foundation grants	1,162,116	1,846,523	3,008,639
Government grants	389,992	543,686	933,678
Government program contracts	1,117,966	-	1,117,966
Wholesale revenue and program sales	211,707	-	211,707
Donated food (Note 12)	-	8,743,715	8,743,715
Government food and commodities (Note 12)	-	2,863,142	2,863,142
Donated goods and services	64,162	8,842	73,004
Miscellaneous income	87,061	-	87,061
Investment and interest income, net	539,889	-	539,889
Change in beneficial interest in the assets of the OCF	263,318	-	263,318
Net assets released from restrictions	<u>15,678,170</u>	<u>(15,678,170)</u>	<u>-</u>
 Total revenue and other support	 <u>23,743,774</u>	 <u>(54,236)</u>	 <u>23,689,538</u>
 <b>Expenses</b>			
Food and hunger programs	21,927,155	-	21,927,155
Resource development	1,341,448	-	1,341,448
Administration	<u>983,651</u>	<u>-</u>	<u>983,651</u>
 Total expenses	 <u>24,252,254</u>	 <u>-</u>	 <u>24,252,254</u>
 <b>Change in net assets</b>	 (508,480)	 (54,236)	 (562,716)
 Net assets, beginning of year	 <u>21,497,920</u>	 <u>4,213,719</u>	 <u>25,711,639</u>
 Net assets, end of year	 <u>\$ 20,989,440</u>	 <u>\$ 4,159,483</u>	 <u>\$ 25,148,923</u>

The accompanying notes are an integral part of these statements.

FOOD FOR LANE COUNTY, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and other support</b>			
Contributions and promises to give	\$ 4,132,131	\$ 564,144	\$ 4,696,275
Corporate and foundation grants	634,671	4,139,678	4,774,349
Government grants	219,825	2,785,524	3,005,349
Government program contracts	792,176	-	792,176
Wholesale revenue and program sales	214,610	-	214,610
Donated food (Note 12)	-	10,869,485	10,869,485
Government food and commodities (Note 12)	-	2,635,087	2,635,087
Donated goods and services	72,800	3,000	75,800
Donated goods and services - capital campaign contributions	-	-	-
Miscellaneous income	67,640	-	67,640
Investment and interest income, net	464,294	-	464,294
Change in beneficial interest in the assets of the OCF	232,328	-	232,328
Net assets released from restrictions	<u>18,452,210</u>	<u>(18,452,210)</u>	<u>-</u>
 Total revenue and other support	 <u>25,282,685</u>	 <u>2,544,708</u>	 <u>27,827,393</u>
 <b>Expenses</b>			
Food and hunger programs	22,338,453	-	22,338,453
Resource development	1,176,395	-	1,176,395
Administration	<u>834,739</u>	<u>-</u>	<u>834,739</u>
 Total expenses	 <u>24,349,587</u>	 <u>-</u>	 <u>24,349,587</u>
 <b>Change in net assets</b>	 933,098	 2,544,708	 3,477,806
 Net assets, beginning of year	 <u>20,564,822</u>	 <u>1,669,011</u>	 <u>22,233,833</u>
 Net assets, end of year	 <u>\$ 21,497,920</u>	 <u>\$ 4,213,719</u>	 <u>\$ 25,711,639</u>

The accompanying notes are an integral part of these statements.

FOOD FOR LANE COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2025

	<u>Food and Hunger Programs</u>	<u>Resource Development</u>	<u>Administration</u>	<u>Total</u>
<b>Operating expenses</b>				
Personnel expenses:				
Salaries	\$ 3,528,026	\$ 652,962	\$ 541,259	\$ 4,722,247
Payroll taxes	351,283	58,175	70,809	480,267
Health and pension benefits	<u>761,672</u>	<u>127,116</u>	<u>82,291</u>	<u>971,079</u>
Total personnel expenses	<u>4,640,981</u>	<u>838,253</u>	<u>694,359</u>	<u>6,173,593</u>
Non-personnel expenses:				
Donated goods distributed	11,981,725	-	-	11,981,725
Food purchases	2,798,425	-	-	2,798,425
Non-food purchases	83,960	-	-	83,960
Delivery and vehicle expenses	123,228	-	-	123,228
Program supplies and services	234,316	2,047	1,104	237,467
Insurance	46,046	6,171	4,606	56,823
Facilities rental	18,807	-	-	18,807
Repairs and maintenance	162,264	4,856	2,899	170,019
Equipment, rentals, and leases	26,584	1,668	770	29,022
Office expense	18,590	2,092	5,747	26,429
Telecommunications	49,951	3,925	3,120	56,996
Dues, publications, and awards	1,070	599	3,366	5,035
Travel, training, and conferences	55,797	5,594	7,669	69,060
Consultants and contractual services	365,831	66,579	238,702	671,112
Special events, direct mail, and promotional	9,282	338,172	-	347,454
Utilities	225,071	2,947	1,745	229,763
Miscellaneous	2,907	789	9,235	12,931
Grants to partner agencies	224,674	-	-	224,674
In-kind services and supplies	17,198	46,964	-	64,162
Depreciation and amortization	<u>840,448</u>	<u>20,792</u>	<u>10,329</u>	<u>871,569</u>
Total non-personnel expenses	<u>17,286,174</u>	<u>503,195</u>	<u>289,292</u>	<u>18,078,661</u>
<b>Total operating expenses</b>	<u>\$ 21,927,155</u>	<u>\$ 1,341,448</u>	<u>\$ 983,651</u>	<u>\$ 24,252,254</u>

The accompanying notes are an integral part of these statements.

FOOD FOR LANE COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2024

	<u>Food and Hunger Programs</u>	<u>Resource Development</u>	<u>Administration</u>	<u>Total</u>
<b>Operating expenses</b>				
Personnel expenses:				
Salaries	\$ 3,179,239	\$ 563,249	\$ 556,712	\$ 4,299,200
Payroll taxes	285,388	55,855	61,071	402,314
Health and pension benefits	<u>667,392</u>	<u>108,774</u>	<u>90,129</u>	<u>866,295</u>
 Total personnel expenses	 <u>4,132,019</u>	 <u>727,878</u>	 <u>707,912</u>	 <u>5,567,809</u>
Non-personnel expenses:				
Donated goods distributed	13,470,021	-	-	13,470,021
Food purchases	2,490,120	-	-	2,490,120
Non-food purchases	141,761	-	-	141,761
Delivery and vehicle expenses	105,453	-	-	105,453
Program supplies and services	210,750	2,223	3,742	216,715
Insurance	35,440	5,488	3,362	44,290
Facilities rental	23,343	-	-	23,343
Repairs and maintenance	127,062	6,428	4,498	137,988
Equipment, rentals, and leases	32,591	2,611	1,210	36,412
Office expense	14,941	2,759	7,714	25,414
Telecommunications	39,674	3,495	3,771	46,940
Dues, publications, and awards	2,935	1,573	1,591	6,099
Travel, training, and conferences	55,568	3,873	11,853	71,294
Consultants and contractual services	241,844	50,124	58,313	350,281
Special events, direct mail, and promotional	8,396	307,012	-	315,408
Utilities	217,891	3,043	2,113	223,047
Miscellaneous	4,071	1,719	15,487	21,277
Grants to partner agencies	221,949	-	-	221,949
In-kind services and supplies	37,598	35,042	160	72,800
Interest expense	-	-	190	190
Depreciation and amortization	<u>725,026</u>	<u>23,127</u>	<u>12,823</u>	<u>760,976</u>
 Total non-personnel expenses	 <u>18,206,434</u>	 <u>448,517</u>	 <u>126,827</u>	 <u>18,781,778</u>
 <b>Total operating expenses</b>	 <u><u>\$ 22,338,453</u></u>	 <u><u>\$ 1,176,395</u></u>	 <u><u>\$ 834,739</u></u>	 <u><u>\$ 24,349,587</u></u>

The accompanying notes are an integral part of these statements.

FOOD FOR LANE COUNTY, INC.  
STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (562,716)	\$ 3,477,806
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	871,569	760,976
Loss on asset disposal	528	6,784
Donated property and equipment	(8,842)	(103,000)
Unrealized (gains) losses on investments	(209,297)	(177,437)
Contribution of investments	(655,822)	(53,534)
Net change in beneficial interest in the assets of OCF	(263,318)	(232,328)
(Increase) decrease in operating assets:		
Grants and program receivables	323,824	(292,757)
Promises to give receivable	26,396	41,232
Inventory	323,913	(91,041)
Prepaid expenses	(28,795)	(122,793)
Increase (decrease) in operating liabilities:		
Accounts payable and other liabilities	(74,412)	119,786
Accrued payroll, vacation, and related payroll liabilities	<u>64,519</u>	<u>(12,962)</u>
 Net cash provided (used) by operating activities	 <u>(192,453)</u>	 <u>3,320,732</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(225,952)	(1,845,628)
Proceeds from sales of investments	697,243	2,349,164
Purchases of certificate of deposits	(1,801,648)	-
Proceeds from maturity of certificate of deposit	-	1,926,619
Proceeds from sale of equipment	250	9,759
Purchase of property and equipment	(701,876)	(2,503,042)
Net change in restricted investments held for endowment	(448)	(2,251)
Deposits to beneficial interest in assets of OCF	<u>(30,000)</u>	<u>-</u>
 Net cash used by investing activities	 <u>(2,062,431)</u>	 <u>(65,379)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,254,884)</b>	<b>3,255,353</b>
Cash and cash equivalents, beginning of year	<u>4,305,044</u>	<u>1,049,691</u>
Cash and cash equivalents, end of year	<u>\$ 2,050,160</u>	<u>\$ 4,305,044</u>

	<u>2025</u>	<u>2024</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	\$ -	\$ 190
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Total increase in property and equipment	\$ 710,718	\$ 2,606,042
Donated property and equipment	<u>(8,842)</u>	<u>(103,000)</u>
Cash paid for purchase of property and equipment	<u>\$ 701,876</u>	<u>\$ 2,503,042</u>

The accompanying notes are an integral part of these statements.

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**1. Organization and Summary of Significant Accounting Policies**

**Nature of Organization**

FOOD for Lane County, Inc. (FFLC), a nonprofit organization, is a regional food bank serving all of Lane County, Oregon. FFLC solicits, grows, rescues, and collects food which is then distributed through nonprofit member agencies providing food box programs, emergency shelters, soup kitchens, and residential treatment services. FFLC strives to increase public awareness of hunger. Approximately 8,513,000 pounds and 8,612,000 pounds of food were distributed in the years ended June 30, 2025 and 2024, respectively.

A substantial amount of support comes from donated food, including donations of commodities received through Oregon Food Bank; food rescued from restaurants, grocery stores, and the University of Oregon; and donations of food by the general public.

**Financial Statement Preparation**

The financial statements of FFLC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), FFLC reports financial information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

**Estimates**

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

**Income Tax Status**

FFLC is an exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, FFLC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). FFLC files required informational returns with both the U.S. federal jurisdiction and the State of Oregon.

**Recent Accounting Standard Adopted**

During the year ended June 30, 2025, FFLC adopted FASB Accounting Standards Update (ASU) 2025-05 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. FFLC adopted the practical expedient to assume, when developing its estimate for credit losses, that current conditions as of the statement of financial position date do not change for the remaining life of the asset. FFLC also adopted the practical expedient to make the accounting policy election to consider collection activity after the statement of financial position date when estimating expected credit losses. FFLC evaluated subsequent cash collections through the date of the independent auditor's report. The accounting standard update was applied prospectively from the date of adoption.

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**1. Organization and Summary of Significant Accounting Policies, continued**

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, FFLC considers all highly liquid investments with an initial maturity of three months or less and without donor restriction to be cash equivalents. Cash and cash equivalents include savings, checking accounts, money market funds, treasury bills with less than 13 week original maturity, and certificates of deposit with less than three months original maturity.

**Investments**

Investments are measured at fair value in the statements of financial position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statements of activities as increases or decreases in net assets without donor restriction, unless the income or loss is restricted by donor or law.

**Certificates of Deposit**

Certificates of deposit are stated at cost plus interest earned which approximates fair value.

**Grants and Program Receivables and Credit Losses**

Grants and program receivables are primarily comprised of amounts receivable from state and local governments and other agencies that provide assistance to FFLC for its programs. Receivables are uncollateralized. Management considers historical write-offs, subsequent collections, current and future expected conditions and events when assessing the need for an allowance. As of June 30, 2025 and 2024, management considers the amounts fully collectible; therefore, management has elected not to record an allowance. Receivables are not secured.

**Promises to Give Receivable**

Promises to give receivable are uncollateralized and recognized when the unconditional promises to give are made. Management has assessed the collectability of promises to give receivable and as of June 30, 2025 and 2024, management considers the amount fully collectible; therefore, management has elected not to record an allowance. Promises to give receivable are stated at the amount FFLC expects to collect.

**Property and Equipment**

Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets. Property and equipment with a cost of \$2,500 or more are capitalized.

Donations of property and equipment are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, FFLC reports expirations of donor restrictions when the donated or acquired assets are placed in service. FFLC reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**1. Organization and Summary of Significant Accounting Policies, continued**

**Leases**

FFLC assesses whether an arrangement qualifies as a lease at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the arrangement are changed.

FFLC has elected the short-term lease recognition exemption for all classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that FFLC is reasonably certain to exercise, are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. When the implicit rate is not readily determinable for FFLC's leases, management has elected to use the risk-free rate at the commencement date for all classes of underlying assets in determining the present value of lease payments. Agreements with lease and non-lease components are generally accounted for separately with amounts allocated to the lease and non-lease components based on observable stand-alone prices.

**Revenue and Support**

*Program contracts and sales revenue* – Program contract revenue is comprised from amounts received for meal delivery and other program services. Program contract revenue is recognized based on prices specified in the contracts and is recognized at the point in time the services are performed and/or the goods are delivered under the contract terms, which is considered satisfaction of the performance obligation. Revenue from sales of goods is recognized at the time the sale is made and the goods are delivered, which is considered satisfaction of the performance obligation. There are no elements of variable consideration incorporated into the contracts and there are no significant estimates required related to recognition of the revenues. Contract revenue is recognized when services are provided under the terms of the contract; contract revenue is considered to be without donor restrictions.

*Contributions and grants* – Contribution and grant revenue is recognized when the contribution or grant is promised or made and are recorded as support that is either with or without donor restrictions. Classifications based on the existence and nature of any donor restrictions on the contribution. Support that is restricted by the donor is reported as restricted revenue and is released to net assets without donor restrictions when the restriction is met.

*Donated financial assets* – Donated marketable securities and similar assets are recorded as contributions at their fair market value at the date of donation using information available for identical assets on an active market (level 1 inputs). Donated marketable securities are immediately sold (monetized) and gain or loss, if significant, is recognized for the change in value from the date of donation to the date of sale.

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**1. Organization and Summary of Significant Accounting Policies, continued**

**Revenue and Support, continued**

*Donated goods and services* – FFLC receives various forms of donated goods and services including food and government food and commodities, auction items, equipment and other items which are recorded at estimated fair market value. Donated government food and commodities are valued using the values provided by the United States Department of Agriculture (USDA) which approximate fair values. Other donated food is valued at a per pound estimated value that is based on values provided by Feeding America, which are derived by Feeding America based on studies performed which include a review of product categories and wholesale prices using a national wholesaler's pricing catalogue, as modified to reflect the actual product mix of donated food received by FFLC. Other contributions for goods are valued based upon estimates of fair market value that would be received for selling the goods in their principal market considering their condition and utility at the time the goods are contributed by the donor. Values assigned to donated services are based upon estimates of fair market value for similar using standard industry pricing; typically, values are provided by those providing the donated services. Donated goods and services are generally utilized by FFLC in its programs and supporting services and are not generally monetized.

**Expense Allocation**

FFLC allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly to that program or service according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on employee hours worked in each program or support area.

**Advertising Costs**

FFLC's advertising costs are expensed as incurred.

**Subsequent Events**

Management evaluates events and transactions that occur after the statements of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**2. Donated Goods and Services**

For the years ended June 30, 2025 and 2024, total donated goods and services, were comprised of the following:

	<u>2025</u>	<u>2024</u>
Food	\$ 8,743,715	\$ 10,869,485
Government food and commodities	2,863,142	2,635,087
Capital assets	8,842	3,000
Other goods	42,129	57,095
Other services	<u>22,033</u>	<u>15,705</u>
Total donated goods and services	<u>\$ 11,679,861</u>	<u>\$ 13,580,372</u>

The goods and services were utilized by the following program and support services:

	<u>2025</u>	<u>2024</u>
Food and hunger programs	\$ 11,632,641	\$ 13,545,170
Resource development	46,634	35,042
Administration	<u>586</u>	<u>160</u>
Total donated goods and services	<u>\$ 11,679,861</u>	<u>\$ 13,580,372</u>

No amounts have been reflected in the financial statements for donated services, other than services requiring specific expertise or which create or enhance non-financial assets. However, many individuals volunteer their time and perform a variety of tasks that assist FFLC with specific programs and various committee assignments. During the year ended June 30, 2025, FFLC received approximately 63,440 volunteer hours from several thousand people. Valued at \$18.50 per hour, this would be \$1,173,640. During the year ended June 30, 2024, FFLC received approximately 58,100 volunteer hours from several thousand people. Valued at \$18.00 per hour, this would be \$1,045,800.

**3. Liquidity and Availability of Resources**

FFLC has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. The following table reflects FFLC's current financial assets (cash, investments, and receivables) as of June 30, 2025 and 2024, reduced by amounts not available for general expenditures within one year:

	<u>2025</u>	<u>2024</u>
Total financial assets	\$ 11,760,128	\$ 11,875,990
Less those unavailable for general expenditure within one year due to:		
Purpose or time restrictions	(3,391,800)	(3,099,468)
Perpetual endowment	(48,017)	(48,017)
Board designations	<u>(2,896,370)</u>	<u>(2,643,293)</u>
Financial assets available for general expenditure within one year	<u>\$ 5,423,941</u>	<u>\$ 6,085,212</u>

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**3. Liquidity and Availability of Resources**, continued

The Board reserves the right to release Board designations or to adjust the designated purpose based on changes of needs of FFLC's financial health or changes of the needs and opportunities in the community. Additionally, FFLC has access to a revolving line of credit up to \$400,000 that may be drawn upon to manage cash flow (Note 9).

**4. Investments**

Investments are comprised of treasury bonds, index funds and mutual funds in the bond and equity markets.

At June 30 2025 and 2024, investment and interest income, net of related investment expenses, was comprised of the following:

	2025	2024
Interest and dividends	\$ 352,650	\$ 309,845
Unrealized gains (losses)	221,248	176,077
Realized gains (losses)	(11,951)	(1,360)
Investment expenses	(22,058)	(20,268)
Total investment and interest income, net	\$ 539,889	\$ 464,294

**5. Grants and Program Receivables**

At June 30, 2025 and 2024, grants and program receivables consisted of the following:

	2025	2024
Program revenue related receivables	\$ 82,865	\$ 135,117
Grants (contributions) receivable	384,926	656,498
Total grants and program receivables	\$ 467,791	\$ 791,615

Beginning balances of program revenue related receivables was \$135,117 and \$79,776 at July 1, 2024 and July 1, 2023, respectively.

**6. Inventory**

Inventory is valued on a first-in, first-out basis and consists of donated goods, United States Department of Agriculture (USDA) commodities received from the government, and purchased food. The donated goods inventory for the years ended June 30, 2025 and 2024 was stated at \$1.97 and \$2.09 per pound, respectively, and represents the estimated fair market value for food received through Oregon Food Bank or donated by the public. USDA commodities were stated at the values provided by the USDA. Purchased food inventory was stated at cost.

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**7. Property and Equipment**

At June 30, property and equipment, net was comprised of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,253,492	\$ 1,253,492
Buildings	13,117,451	12,964,909
Building and leasehold improvements	143,323	127,565
Equipment	2,214,762	2,056,936
Vehicles	1,139,387	1,062,187
Intangible assets	88,933	88,933
Construction in process	<u>326,668</u>	<u>27,410</u>
Total property and equipment	18,284,016	17,581,432
Accumulated depreciation	<u>(5,297,847)</u>	<u>(4,433,634)</u>
Total property and equipment, net	<u>\$ 12,986,169</u>	<u>\$ 13,147,798</u>

**8. Beneficial Interest in the Assets of the Oregon Community Foundation**

During 2010, FFLC established a Board-designated endowment fund with the Oregon Community Foundation (OCF). This fund is used by OCF as the source of grants without donor restriction for FFLC. The agreement with OCF stipulates OCF maintains variance power over the fund and that the fund shall be held and owned by OCF. OCF may distribute, on an annual basis, a fixed percentage of the fund assets. The percentage is determined by the Board of Directors of OCF. The agreement also provides that, upon written request from a supermajority of the Board of Directors of FFLC, additional distributions may be made from the fund assets, even to the exhaustion of the fund, if in the sole judgment of the Board of Directors of OCF the requested distribution is consistent with the objectives and purpose of FFLC. The balance of the endowment fund is reported as a beneficial interest in the assets of OCF and is included in Board-designated net assets without donor restrictions.

Income or loss on the investments held by OCF, including unrealized gains and losses on the investments, interest, and dividends, is included in the statements of activities as the net change in beneficial interest in the assets of OCF and is considered without donor restriction.

The following schedule summarizes the activity of this endowment fund, reported at fair value, for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 17,496	\$ 17,887
Realized gains	5,672	5,228
Unrealized gains	255,610	223,913
Investment management and OCF fees	<u>(15,460)</u>	<u>(14,700)</u>
Net change before contributions and distributions	263,318	232,328
Contributions to OCF	30,000	-
Approved distributions to FFLC	<u>-</u>	<u>-</u>
Net increase in beneficial interest	293,318	232,328
Beginning balance	<u>2,312,396</u>	<u>2,080,068</u>
Ending balance	<u>\$ 2,605,714</u>	<u>\$ 2,312,396</u>

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**9. Bank Line of Credit**

FFLC has a line of credit agreement with Columbia Bank which permits borrowings of up to \$400,000. FFLC The line of credit is collateralized by FFLC's accounts receivable, inventory, and equipment. The most recent renewal of the line of credit expires October 8, 2026. Interest is charged on borrowings at a variable interest equal to the 1.000 percentage point below the Prime Rate as published in the Wall Street Journal, with a floor of 3.25 percent, through October 8, 2026. The rate on the line of credit at June 30, 2025 was 6.50 percent. There was no balance on the line of credit at June 30, 2025 and 2024.

**10. Board Designated Net Assets**

The Board-designated funds to be held as an endowment fund which is held with OCF (Note 8). In the prior year, the Board of Directors released the remaining unused funds for the food and hunger programs reserve out of board designations. The Board of Directors has also designated \$600,000 from a large bequest from a Garden Program donor to be used for ongoing Garden Program operations and future capital improvements.

The Board reserves the right to release Board designations or to adjust the designated purpose based on changes of needs of FFLC's financial health or changes of the needs and opportunities in the community.

At June 30, board-designated net assets (without donor restriction) were comprised of the following:

	2025	2024
Board designated endowment fund	\$ 2,605,714	\$ 2,312,396
Gardens program reserve	290,656	330,897
Total board-designated net assets	\$ 2,896,370	\$ 2,643,293

**11. Restrictions of Net Assets**

At June 30, net assets with donor restrictions were available for the following purposes or periods:

	2025	2024
Donated food and USDA food inventory for distribution	\$ 719,666	\$ 1,066,234
Meals on Wheels program	-	76,552
Food purchase grants	1,246,362	1,205,134
Partner agency capacity grants	622,500	827,440
Farm land development	703,711	400,000
For other programs	619,227	340,342
Total net assets with purpose restrictions	3,191,800	3,915,702
Net assets with time restrictions	200,000	250,000
Perpetual endowment	48,017	48,017
Total net assets with donor restrictions	\$ 4,159,483	\$ 4,213,719

The income from the perpetual endowment assets is donor restricted and can be used to hire a physically or mentally disabled individual part-time to assist in the warehouse.

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**12. Donated Food and Commodities**

Donations of food and commodities are recorded as support at their estimated fair market value. Commodities received from the USDA are recorded at the estimated value provided by the USDA. Donations of non-USDA food commodities received through Oregon Food Bank and from other sources for the years ended June 30, 2025 and 2024, were valued at estimated fair market value at the date of donation. For the years ended June 30, 2025 and 2024, the estimated fair market values used to record food donations was \$1.97 and \$2.09, respectively, per pound. Inventory of current year food donations not distributed is reflected as net assets with donor restrictions. Total estimated value of donated food and commodities received during the years ended June 30, 2025 and 2024 was \$11,606,857 and \$13,504,572, respectively.

**13. Employee Benefit Plan**

Effective January 1, 2022, FFLC converted its employee retirement plan from a SIMPLE IRA plan to a 401(k) plan. The 401(k) plan is administered by FFLC and offers participating employees a choice of several different investment funding options. In addition to FFLC contributions to the 401(k) plan, employees may elect to contribute to the 401(k) plan through salary deferrals. Under the 401(k) plan, FFLC matches employee contributions dollar-for-dollar from 1 percent to 3 percent of employee salary. Employees must be 18 years or older to participate in the retirement plan. They are eligible to participate and receive FFLC contributions the first day of the month after three months of continuous employment. For the years ended June 30, 2025 and 2024, FFLC had contributions and plan fees of a total of \$109,160 and \$97,379, respectively, for the applicable retirement plans.

**14. Fair Value Measurement**

Accounting principles generally accepted in the United States of America define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability; in the absence of a principal market, the most advantageous market.

Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities for which the Organization has the ability to access at the measurement date.

Level 2: Inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**14. Fair Value Measurement, continued**

Level 3: Unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

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 June 30, 2025 and 2024.

*Mutual funds:* Valued at the daily closing price as reported by the fund. All mutual funds held by FFLC are open-ended funds that are registered with the SEC and are deemed to be actively traded.

*U.S. Treasury bills:* Valued at cost plus interest earned which approximates fair value using inputs that are observable in an inactive market (Level 2 inputs).

*Certificates of Deposit:* Valued at cost plus interest earned which approximates fair value using inputs that are observable in an inactive market (Level 2 inputs).

*Beneficial interest in the assets of OCF:* Valued at the net present value of the estimated future amount to be received from such assets based on the value provided by OCF (Level 3 inputs).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following tables set forth by level, within the fair value hierarchy, FFLC's investments at fair value as of June 30:

	Assets at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Mutual fund – balanced index fund	\$ 62,775	\$ -	\$ -	\$ 62,775
Mutual fund – stock market index	5,081	-	-	5,081
Mutual funds – bonds	2,320,138	-	-	2,320,138
Mutual funds – equities	2,172,571	-	-	2,172,571
U.S. Treasury bills (>13 weeks)	-	274,250	-	274,250
Certificates of deposit	-	1,801,648	-	1,801,648
Beneficial interest in the assets of OCF	-	-	2,605,714	2,605,714
Total assets at fair value	<u>\$ 4,560,565</u>	<u>\$ 2,075,898</u>	<u>\$ 2,605,714</u>	<u>\$ 9,242,177</u>

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**14. Fair Value Measurement, continued**

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Mutual fund – balanced index fund	\$ 62,327	\$ -	\$ -	\$ 62,327
Mutual fund – stock market index	4,415	-	-	4,415
Mutual funds – bonds	2,168,470	-	-	2,168,470
Mutual funds – equities	1,942,583	-	-	1,942,583
U.S. Treasury bills (>13 weeks)	-	262,744	-	262,744
Certificates of deposit	-	-	-	-
Beneficial interest in the assets of OCF	-	-	2,312,396	2,312,396
Total assets at fair value	<u>\$ 4,177,795</u>	<u>\$ 262,744</u>	<u>\$ 2,312,396</u>	<u>\$ 6,752,935</u>

**15. Commitments and Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed costs could become a liability of FFLC. Management believes there are no such unallowable costs.

**16. Concentrations**

***Concentration of Credit Risk Due to Grants and Program Receivables***

Concentrations of credit risk with respect to grants receivable are limited to governmental agencies in the state of Oregon, including some pass-through nonprofit and federal grants and grants from charitable foundations. As of June 30, 2025 and 2024, receivables from two agencies accounted for nearly all of the total program revenue related receivables. As of June 30, 2025, receivables two grantors comprised approximately 88 percent of the total grants (contributions) receivable. As of June 30, 2024, receivables one grantor comprised approximately 76 percent of the total grants (contributions) receivable.

***Concentrations of Credit Risk Arising from Deposits in Excess of Insured Limits***

FFLC maintains cash and certificate of deposit balances at several financial institutions located in Eugene, Oregon. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In 2025 and 2024, bank balances exceeded FDIC insurance limits at various times during the year. At June 30, 2025 and 2024, cash and certificate of deposit balances held in excess of federally insured limits were \$47,200 and \$-0-, respectively.

Additionally, FFLC maintains investment and cash equivalent balances which are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 at each financial institution. Balances exceeded SIPC insurance limits at various times during the year. At June 30, 2025 and 2024, investment and cash equivalent balances held in excess of insured limits were \$3,992,709 and \$5,337,359, respectively.

FOOD FOR LANE COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**17. Related Party Transactions**

A member of FFLC's Board of Directors is affiliated with a firm that provides fiduciary services to FFLC's defined contribution retirement plan. The firm receives fees for these services based on a percentage of plan assets. These fees are paid directly from plan participants' accounts, not from FFLC.

**18. Reclassification**

Certain prior year amounts have been reclassified to conform to current year presentation. Such reclassifications had no impact on previously stated net assets or change in net assets.

**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  
FOOD for Lane County, Inc.  
Eugene, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of FOOD for Lane County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered FOOD for Lane County, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FOOD for Lane County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the FOOD for Lane County, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether FOOD for Lane County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Jones & Roth P.C." in a cursive style.

Jones & Roth, P.C.  
Eugene, Oregon  
November 14, 2025