



WHISMAN GIORDANO  
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

FOOD BANK OF DELAWARE, INC.  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2025 AND 2024

FOOD BANK OF DELAWARE, INC.

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## INDEPENDENT AUDITOR’S REPORT

Board of Directors  
Food Bank of Delaware, Inc.  
Newark, Delaware

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Food Bank of Delaware, 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 Bank of Delaware, 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 principle generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Emphasis of Matter***

As discussed in Note B to the financial statements, effective July 1, 2023, the entity adopted new accounting guidance, Accounting Standards Codification (ASC) Topic 326, *Financial Instruments - Credit Losses*. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Bank of Delaware, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 Bank of Delaware, 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 Bank of Delaware, Inc.'s ability to continue as a going concern for a reasonable period of time.

Board of Directors  
Food Bank of Delaware, Inc.

***Auditor’s Responsibilities for the Audit of the Financial Statements (continued)***

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 March 9, 2026 on our consideration of Food Bank of Delaware, 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 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 Bank of Delaware, 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 Bank of Delaware, Inc.’s internal control over financial reporting and compliance.

***Whisman Giordano & Associates, LLC***  
Newark, Delaware  
March 9, 2026

FOOD BANK OF DELAWARE, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
Current Assets		
Cash and cash equivalents	\$ 3,477,350	\$ 3,520,890
Investments	52,463	344,995
Accounts and grants receivable	545,824	1,292,451
Promises to give - current	219,466	38,910
Inventory	3,291,528	7,132,220
Prepaid expenses	111,943	8,212
Total current assets	7,698,574	12,337,678
Property and Equipment	48,659,140	48,277,903
Promises to give - long-term, net of discount	110,000	13,085
TOTAL ASSETS	\$ 56,467,714	\$ 60,628,666

LIABILITIES AND NET ASSETS

Liabilities		
Line of credit	\$ 1,000,000	\$ -
Accounts payable	363,814	1,441,141
Accrued payroll and related costs	158,921	144,017
Accrued vacation	144,076	167,313
Deferred revenue	24,750	-
Total liabilities (current)	1,691,561	1,752,471
Net Assets		
Without Donor Restriction	54,025,698	56,676,195
With Donor Restriction	750,455	2,200,000
Total net assets	54,776,153	58,876,195
TOTAL LIABILITIES AND NET ASSETS	\$ 56,467,714	\$ 60,628,666

*See accompanying notes to financial statements.*

FOOD BANK OF DELAWARE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restriction	With Donor Restriction	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support			
Contributions	\$ 10,620,481	\$ 1,006,634	\$ 11,627,115
Contributions - donated product	29,181,388	-	29,181,388
Contributions - capital campaign	-	953,730	953,730
Fees and grants from government agencies	-	2,853,168	2,853,168
	39,801,869	4,813,532	44,615,401
<b>Revenue</b>			
Food sales	613,806	-	613,806
Interest income	21,191	-	21,191
Gain on disposal of assets	800	-	800
Realized and unrealized loss	(314)	-	(314)
Miscellaneous	184,876	-	184,876
	820,359	-	820,359
Net assets released from restriction	6,263,077	(6,263,077)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>46,885,305</b>	<b>(1,449,545)</b>	<b>45,435,760</b>
<b>EXPENSES</b>			
<b>Program Services</b>			
Food distribution	44,615,895	-	44,615,895
Community development	2,618,652	-	2,618,652
	47,234,547	-	47,234,547
<b>Support Services</b>			
General and administrative	1,039,054	-	1,039,054
Fund raising	1,262,201	-	1,262,201
	2,301,255	-	2,301,255
<b>TOTAL EXPENSES</b>	<b>49,535,802</b>	<b>-</b>	<b>49,535,802</b>
<b>CHANGE IN NET ASSETS</b>	<b>(2,650,497)</b>	<b>(1,449,545)</b>	<b>(4,100,042)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>56,676,195</b>	<b>2,200,000</b>	<b>58,876,195</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 54,025,698</b>	<b>\$ 750,455</b>	<b>\$ 54,776,153</b>

*See accompanying notes to financial statements.*

FOOD BANK OF DELAWARE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restriction	With Donor Restriction	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support			
Contributions	\$ 8,062,660	\$ 848,951	\$ 8,911,611
Contributions - donated product	28,013,662	-	28,013,662
Contributions - capital campaign	-	6,072,184	6,072,184
Fees and grants from government agencies	-	4,633,460	4,633,460
	<u>36,076,322</u>	<u>11,554,595</u>	<u>47,630,917</u>
Revenue			
Food sales	172,375	-	172,375
Interest income	-	-	-
(Loss) on disposal of assets	(10,685)	-	(10,685)
Realized and unrealized gains	46,434	-	46,434
Miscellaneous	63,031	-	63,031
	<u>271,155</u>	<u>-</u>	<u>271,155</u>
Net assets released from restriction	<u>9,497,848</u>	<u>(9,497,848)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>45,845,325</u>	<u>2,056,747</u>	<u>47,902,072</u>
<b>EXPENSES</b>			
Program Services			
Food distribution	36,843,238	-	36,843,238
Community development	2,184,528	-	2,184,528
	<u>39,027,766</u>	<u>-</u>	<u>39,027,766</u>
Support Services			
General and administrative	817,554	-	817,554
Fund raising	1,303,747	-	1,303,747
	<u>2,121,300</u>	<u>-</u>	<u>2,121,300</u>
<b>TOTAL EXPENSES</b>	<u>41,149,066</u>	<u>-</u>	<u>41,149,066</u>
<b>CHANGE IN NET ASSETS</b>	4,696,259	2,056,747	6,753,006
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>51,979,936</u>	<u>143,253</u>	<u>52,123,189</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 56,676,195</u>	<u>\$ 2,200,000</u>	<u>\$ 58,876,195</u>

*See accompanying notes to financial statements.*

FOOD BANK OF DELAWARE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

	Program Services			Support Services			Total Expenses
	Food Distribution	Community Services	Total Program Services	General & Administration	Fund Raising	Total Support Services	
Personnel							
Salaries	\$ 5,398,558	\$ 432,317	\$ 5,830,875	\$ 394,961	\$ 329,713	\$ 724,674	\$ 6,555,549
Payroll taxes	404,988	32,431	437,419	29,629	24,734	54,363	491,782
Employee benefits	783,326	62,729	846,055	57,308	47,841	105,149	951,204
Total personnel	6,586,872	527,477	7,114,349	481,898	402,288	884,186	7,998,535
Professional fees	171,362	13,723	185,085	12,537	10,466	23,003	208,088
Association, conference dues	78,214	6,263	84,477	5,722	4,777	10,499	94,976
Copying, printing and advertising	133,807	10,715	144,522	9,789	8,172	17,961	162,483
Insurance	282,220	22,600	304,820	20,647	17,236	37,883	342,703
Interest	-	-	-	156,446	-	156,446	156,446
Rental of equipment	13,295	1,065	14,360	973	812	1,785	16,145
Postage and freight	70,481	1,193	71,674	6,458	623,872	630,330	702,004
Occupancy	283,700	22,719	306,419	20,756	17,327	38,083	344,502
Grant expense	-	-	-	-	-	-	-
Contract services	450,206	36,053	486,259	32,937	27,496	60,433	546,692
Food	33,829,209	1,780,485	35,609,694	-	-	-	35,609,694
Travel	28,228	2,260	30,488	2,065	1,724	3,789	34,277
Office and building supplies	471,872	37,788	509,660	34,522	28,819	63,341	573,001
Vehicle fuel and supplies	18,274	-	18,274	-	-	-	18,274
Credit losses	-	-	-	111,500	-	111,500	111,500
Vehicle repairs	246,232	-	246,232	-	-	-	246,232
Education supplies	125,459	10,047	135,506	9,179	7,662	16,841	152,347
Total expenses before depreciation	42,789,431	2,472,388	45,261,819	905,429	1,150,651	2,056,080	47,317,899
Depreciation	1,826,464	146,264	1,972,728	133,625	111,550	245,175	2,217,903
TOTAL EXPENSES	\$ 44,615,895	\$ 2,618,652	\$ 47,234,547	\$ 1,039,054	\$ 1,262,201	\$ 2,301,255	\$ 49,535,802

See accompanying notes to financial statements.

FOOD BANK OF DELAWARE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services			Support Services			Total Expenses
	Food Distribution	Community Services	Total Program Services	General & Administration	Fund Raising	Total Support Services	
Personnel							
Salaries	\$ 5,211,853	\$ 417,366	\$ 5,629,219	\$ 381,301	\$ 318,310	\$ 699,611	\$ 6,328,830
Payroll taxes	392,880	31,462	424,342	28,743	23,994	52,737	477,079
Employee benefits	835,878	66,937	902,815	61,154	51,051	112,205	1,015,020
Total personnel	6,440,611	515,765	6,956,376	471,198	393,355	864,553	7,820,929
Professional fees	147,947	11,848	159,794	10,824	9,036	19,860	179,654
Association, conference dues	78,478	6,285	84,763	5,741	4,793	10,534	95,297
Copying, printing and advertising	135,538	10,854	146,392	9,916	8,278	18,194	164,586
Insurance	173,357	13,882	187,239	12,683	10,588	23,271	210,510
Rental of equipment	13,170	1,055	14,225	964	804	1,768	15,993
Postage and freight	81,357	1,378	82,735	7,455	720,140	727,595	810,330
Occupancy	306,571	24,550	331,122	22,429	18,724	41,152	372,274
Grant expense	21,252	1,702	22,954	1,555	1,298	2,853	25,807
Contract services	354,247	28,368	382,615	25,917	21,635	47,552	430,167
Food	26,940,637	1,417,928	28,358,565	-	-	-	28,358,565
Travel	43,767	3,505	47,272	3,201	2,673	5,874	53,146
Office and building supplies	498,264	39,901	538,165	36,453	30,431	66,884	605,049
Vehicle fuel and supplies	189,701	-	189,701	-	-	-	189,701
Credit losses	-	-	-	111,000	-	111,000	111,000
Vehicle repairs	75,846	-	75,846	-	-	-	75,846
Education supplies	125,337	10,037	135,374	9,170	7,655	16,825	152,199
Total expenses before depreciation	35,626,080	2,087,058	37,713,138	728,506	1,229,410	1,957,915	39,671,053
Depreciation	1,217,158	97,470	1,314,628	89,048	74,337	163,385	1,478,013
TOTAL EXPENSES	\$ 36,843,238	\$ 2,184,528	\$ 39,027,766	\$ 817,554	\$ 1,303,747	\$ 2,121,300	\$ 41,149,066

*See accompanying notes to financial statements.*

FOOD BANK OF DELAWARE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from public support	\$ 15,903,169	\$ 25,670,810
Cash received from sales and program service fees	823,432	235,406
Cash paid to suppliers, vendors, and employees	(15,484,724)	(16,857,877)
Cash received from interest and dividends	21,191	-
Cash paid for interest	(156,446)	-
Net cash provided by operating activities	1,263,068	9,048,339
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale (purchase) of investments	292,532	(46,434)
Acquisition of property and equipment, net of disposals	(2,599,140)	(17,255,089)
Net cash (used for) investing activities	(2,306,608)	(17,301,523)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from line of credit	1,000,000	-
Net cash provided by financing activities	1,000,000	-
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(43,540)	(8,253,184)
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	3,520,890	11,774,074
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	\$ 3,477,350	\$ 3,520,890

*See accompanying notes to financial statements.*

FOOD BANK OF DELAWARE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

The Food Bank of Delaware, Inc. (the Entity) is a nonprofit organization, whose mission is a community free from hunger. The Entity strives to minimize hunger, primarily in Delaware, by: providing low-cost and no-cost food and other products to qualified organizations, informing the community about hunger issues, and mobilizing support for anti-hunger efforts. It is governed by an uncompensated volunteer board of directors which oversees the activities of the Entity.

The programs currently operated by the Food Bank of Delaware, Inc. are as follows:

- The Food Distribution Program maintains food and related products obtained through donations, which are then made available to qualified member agencies for a shared maintenance fee.
- The Community Development Program assists new and current member agencies in maximizing the benefits the Food Bank offers in low-cost and no-cost food and in developing and operating hunger prevention programs, as well as collecting information on hunger and anti-hunger programs, partnering with community organizations, legislators, and citizens interested in hunger prevention efforts.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Financial Reporting Framework*

The financial position and results of activities of Food Bank of Delaware, Inc. have been reported on an acceptable financial reporting framework. The financial reporting framework used by Food Bank of Delaware, Inc. is U.S. generally accepted accounting principles (GAAP). Under this financial reporting framework, revenues are recognized in the period when earned and expenses are recorded when a liability is incurred.

*Basis of Financial Statement Presentation*

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). FASB codification pertaining to *Not-for-Profit Entities*, ASC 958: *Presentation of Financial Statements of Not-for-Profit Entities* requires the Entity to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. The net assets and revenues, expenses, gains and losses are classified based on the existence of, or absence of, donor-imposed restrictions. Accordingly, net assets and changes therein are classified as described below.

FOOD BANK OF DELAWARE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Basis of Financial Statement Presentation (Continued)*

*Classification of Net Assets* - Separate line items may be reported within net assets with donor restrictions or in notes to financial statements to distinguish between various types of donor-imposed restrictions, including the following:

- a) Support of particular operating activities,
- b) Use in a specified future period,
- c) Acquisition of long-lived assets.

*Allocation of Expenses by Nature and Function* - The cost of providing various program and supporting activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Activities that represent direct conduct or direct supervision of program or other supporting activities are allocated to such programs and generally from management and general expense. Additionally, certain costs benefit more than one function, and, therefore allocated accordingly. The allocation of overhead items such as information technology, occupancy cost, transportation and depreciation are allocated based on payroll costs, square footage or programming basis.

*Pervasiveness of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results. Changes in estimates are recorded in the period identified. Accounting measurements that are most affected by management's estimates of future events include the realization of accounts receivable, the collectability of receivables and the resultant allowance for credit losses, the fair value of inventory, the useful lives selected for depreciating property and equipment, and the timing of the recognition of certain revenue.

Management does not believe that any of its estimates involve assumptions that are highly uncertain or that different, reasonable estimates, or changes in accounting estimates that are reasonably likely to occur, would have a material impact on the financial statements. To the extent there are material differences between management's estimates and actual results, future results of operations will be affected.

FOOD BANK OF DELAWARE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Cash and Cash Equivalents*

The Entity considers all highly liquid investments, which are to be used for current operations and which have an original maturity of three months or less, to be cash and cash equivalents. All other highly liquid instruments which are to be used for the long-term purposes are classified as investments.

*Financial Instruments – Credit losses*

The Entity adheres to ASC 326, *Financial Instruments – Credit Losses*. This standard replaced the incurred loss methodology with an expected loss policy that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset and generally applies to financial assets measured at amortized cost, including accounts receivable and, when applicable, held to maturity debt securities. Financial assets measured at amortized cost are presented at the net amount expected to be ultimately collected by using an allowance for credit losses.

The CECL is typically estimated using quantitative and qualitative methods that consider a variety of factors such as historical experience, current conditions including the current quality of the asset portfolio, economic conditions within the industry which the company finances, reasonable and supportable forecasts as well as the present value of projected future lifetime cash flows discounted at a rate deemed realistic by management. The life of the underlying asset is based on contract maturity of the underlying asset adjusted, when applicable, for any expected prepayments. In its loss forecasting framework, the company incorporates forward-looking information through the use of macroeconomic scenarios applied over the forecasted life of the underlying assets. These macroeconomic scenarios include variables that have historically been key drivers of increases and decreases in credit losses.

*Risks and Uncertainties*

The Entity, from time to time, invests in various securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of activities.

FOOD BANK OF DELAWARE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Inventory*

Purchased inventory is recorded at cost. Donated inventory is recorded at the estimated wholesale value determined by Feeding America.

Inventory consists of the following:

	<u>2025</u>	<u>2024</u>
Donated Products	\$ 2,863,634	\$ 6,341,655
Purchased Products	<u>427,894</u>	<u>790,565</u>
Total Inventory	<u>\$ 3,291,528</u>	<u>\$ 7,132,220</u>

*Promises to Give*

Unconditional promises to give, are recognized as revenue when the donor's commitment has been received. Unconditional promises to give are recognized at the present value of future cash flows, net of allowances for uncollectible pledges. Contributions, which are received subject to restrictions imposed by donors, or the passage of time, are reported as net assets with donor restriction in the accompanying consolidated financial statements. When the restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported as net assets released from restrictions. Net assets with donor restrictions funds expended in the fiscal year in which received are recorded as net assets without donor restriction.

The Entity adheres to ASC 958, *Not-For-Profit Entities*. Key provisions in this guidance include clarification of accounting for grants and contracts as exchange transactions or contributions and improve guidance to distinguish between conditional and unconditional contributions.

*Property and Equipment*

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to expense as incurred; costs of renewals and betterments are capitalized. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in the statement of activities.

FOOD BANK OF DELAWARE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Property and Equipment (Continued)*

Depreciation is computed using the straight-line method based upon the estimated useful life of the related assets. The useful lives for purposes of computing depreciation on property and equipment ranges from three to ten years.

*Revenue Recognition*

The Entity adheres to ASC 606, *Revenue from Contracts with Customers*. ASC 606 applies to substantially all entities including non-profit entities. The fundamental principle of this accounting guidance is that non-profit entities should recognize revenue in a manner that reflects the timing of the transfer of goods and services to customers in an amount that reflects the consideration that the Entity expects to receive from such transfers.

ASC 606 established a five-step approach for the recognition of revenue. Under the modified approach, non-profit entities are not required to restate comparative periods in the financial statements.

The Entity adheres to ASC 958-605, *Not for Profit Entities Revenue Recognition*, in recording contributions received. Contributions received are recorded as with or without donor restricted support, depending on the existence and, if applicable, the nature of donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

*Compensated Absences*

The Entity recorded a vacation accrual for the years ended June 30, 2025 and 2024 of \$144,076 and \$167,313, respectively.

*Advertising*

The Entity expenses the costs of advertising when incurred.

FOOD BANK OF DELAWARE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Income Taxes*

Food Bank of Delaware, Inc. is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore no provision for income taxes has been made in the financial statements. In addition, the Entity has been classified as one that is not a private foundation within the meaning of Section 509 (a) of the Internal Revenue Code and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Although the Entity is not subject to federal and state income taxes, the Entity is required to adhere to ASC 740, *Accounting for Income Taxes*, which applies to all entities including those that are tax exempt under 501(c)(3). ASC 740 clarifies the accounting and reporting for income taxes where interpretation of the tax law may be uncertain. ASC 740 prescribes a comprehensive model for the financial statements recognition, measurement, presentation and disclosure of income tax uncertainties with respect to positions taken or expected to be taken in income tax returns.

Management has reviewed its current and past federal income tax positions and has determined, based on clear and unambiguous tax law and regulations, that the tax positions taken are certain and that there is no likelihood that a material tax assessment would be made if the respective government agency examined tax returns subject to audit. Accordingly, no provision for the effects of uncertain tax positions has been recorded.

Currently, the June 30, 2022, 2023, and 2024 tax years are open and subject to examination by the Internal Revenue Service. However, the Entity is not currently under audit nor has the Entity been contacted by this jurisdiction. Any interest and penalties related to income taxes would be recorded as income tax expense. There are no interest and penalties as of June 30, 2025 and 2024.

NOTE C – CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS

Financial instruments which potentially subject the Entity to significant concentrations of credit risk are principally cash deposits. Cash deposits are maintained in highly rated financial institutions. Generally, accounts at such institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. Cash balances may exceed the federally insured limit at various times during the year. Management continually monitors the financial strength of such financial institutions and the quality of its investments.

FOOD BANK OF DELAWARE, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE D – PROMISES TO GIVE

Promises to give as of June 30, 2025, consisted of the following:

Promises to give - current portion	\$ 232,966
Promises to give - restricted to future periods	110,000
Unconditional promise to give before amortized discount	342,966
Unamortized discount	-
Allowance for uncollectible promises	(13,500)
Net unconditional promises to give	<u>\$ 329,466</u>
Amounts due by:	
June 30, 2026	\$ 232,966
June 30, 2027	<u>110,000</u>
Unconditional promise to give before amortized discount and allowance for uncollectible promises	<u>\$ 342,966</u>

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Land and land improvements	\$ 1,223,375	\$ 563,770
Building and improvements	49,020,933	47,057,220
Farm and farm equipment	669,964	392,651
Trucks and trailers	1,841,020	1,863,367
Warehouse equipment	2,241,436	698,206
Computers	331,325	298,438
Furniture and fixtures	870,717	848,100
Construction in progress	-	1,900,225
	<u>56,198,770</u>	<u>53,621,977</u>
Less: Accumulated depreciation	<u>7,539,630</u>	<u>5,344,074</u>
	<u>\$ 48,659,140</u>	<u>\$ 48,277,903</u>

FOOD BANK OF DELAWARE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE E – PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for the years ended June 30, 2025 and 2024 amounted to \$2,217,903 and \$1,478,013, respectively.

NOTE F – NET ASSETS WITH DONOR RESTRICTION

As of June 30, 2025 and 2024 restricted net assets were available for the following:

	2025	2024
Newark Barn	\$ 300,000	\$ -
Capital	-	2,200,000
Backpack Program	70,455	-
Newark Kitchen Renovation	75,000	-
Benefits Outreach	35,000	-
External Affairs	66,000	-
SNAP Outreach	129,000	-
School Pantry	25,000	-
Mobile Pantry	50,000	-
	\$ 750,455	\$ 2,200,000

NOTE G – LINE OF CREDIT

The Entity has available a revolving line of credit with Fulton Bank in the amount of \$4,000,000. The line is collateralized by the property located on Lake Drive, Newark, Delaware and bears interest at the Margin rate (2.50%) plus the Secured Overnight Financing Rate (SOFR). As of June 30, 2025 the amount outstanding against the line was \$1,000,000.

NOTE H – NATIONAL AFFILIATION

The Entity is an affiliate of and accredited by Feeding America, the National Food Bank Network. Membership dues paid to Feeding America are based on pounds of Feeding America solicited product received and amounted to \$24,099 and \$383,019 for the years ended June 30, 2025 and 2024.

FOOD BANK OF DELAWARE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE I – PENSION PLAN

The Entity had a Simple Retirement Plan for all full-time employees who had at least one year of service. The Entity contributed up to three percent of wages for participating, eligible employees. Effective January 1, 2023, this plan was converted to a 401(k) Plan. Employees become eligible to make elective contributions on the first day of the calendar month after turning 18 years old and upon completing 83.3 hours in a one-month period. If this eligibility requirement is not met, an employee will become eligible if they complete 1,000 hours in the eligibility computation period. The Entity contributes 100% of employee contributions, up to 3%, and an additional 50% of employee contributions up to 5%. Employer contributions for the years ended June 30, 2025 and 2024 amounted to \$209,833 and \$220,944, respectively.

NOTE J – LIQUIDITY

As part of liquidity management, a policy has been established to structure financial assets to be available for its general expenditures, liabilities, and other obligations as they come due. Food Bank of Delaware, Inc.’s financial assets available within one year of the statement of financial position date (June 30, 2025) for general expenditures as follows:

Description	Amount
Cash and equivalents	\$ 3,477,350
Investments	52,463
Accounts and grants receivable	545,824
Unconditional promises to give available next year	219,466
Total liquid assests available	4,295,103
Less: Donor restricted assets	750,455
Total financial assets available to management for general expenditures within one year	\$ 3,544,648

NOTE K – SUBSEQUENT EVENTS

Management has reviewed and evaluated all subsequent events through March 9, 2026, the date the financial statements were available to be issued and has determined there were no matters that require adjustment to or disclosure in the June 30, 2025 financial statements.

REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS*



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CERTIFIED PUBLIC ACCOUNTANTS

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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*

Board of Directors  
Food Bank of Delaware, Inc.  
Newark, Delaware

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 Bank of Delaware, Inc. which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, program expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 9, 2026.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Food Bank of Delaware, Inc.'s internal control over financial reporting (internal control) to determine the 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 Bank of Delaware, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Food Bank of Delaware, 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 center’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.

***Internal Control over Financial Reporting (Continued)***

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 may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Food Bank of Delaware, 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 determination of financial statement amounts. 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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Whisman Giordano & Associates, LLC***

Newark, Delaware  
March 9, 2026