GREATER BATON ROUGE FOOD BANK

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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Daigrepont & Brian
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Greater Baton Rouge Food Bank
Baton Rouge, Louisiana

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Greater Baton Rouge Food Bank (a nonprofit organization) (hereafter the Organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

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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 consolidated financial statements.

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

Emphasis of Matter

The consolidated financial statements for the year ended December 31, 2025, reflect certain prior period adjustments as described in Note 10 to the consolidated financial statements. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information contained in the schedule of compensation, benefits, and other payments to chief executive officer, as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Daigrepont & Brian APAC

Daigrepont & Brian, APAC
Baton Rouge, LA
June 30, 2026

THE GREATER BATON ROUGE FOOD BANK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 3,484,892
Grants receivable, net	184,713
Promises to give, current portion, net	135,970
Food inventory - donated and purchased	1,299,329
Food inventory - commodities	339,736
Investments - Mission Support	19,277,761
Pooled investments	1,693,510
Prepaid Expenses	157,831
Total Current Assets	26,573,742
PROPERTY AND EQUIPMENT	
Land	500,000
Building and building improvements	13,733,765
Vehicles	315,836
Furniture, fixtures, and equipment	3,906,501
Less: Accumulated depreciation	(7,565,683)
Total Property and Equipment, net	10,890,419
OTHER ASSETS	
Financing right of use asset, net	1,068,339
Promises to give, long-term portion, net	290,954
Total Other Assets	1,359,293
TOTAL ASSETS	$ 38,823,454

See accompanying notes and independent auditors' report.

THE GREATER BATON ROUGE FOOD BANK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 617,302
Accrued expenses and other liabilities	194,708
Deferred revenue	212,070
Note payable, current portion	104,949
Financing lease obligation, current portion	198,572
Total Current Liabilities	1,327,601
LONG TERM LIABILITIES	
Financing lease obligation, net of current portion	915,605
Total Long Term Liabilities	915,605
Total Liabilities	2,243,206
NET ASSETS	
Without donor restrictions	
Programming and general operations	13,996,176
Board designated - Mission Support	19,279,761
Total Net Assets Without Donor Restrictions	33,275,937
With donor restrictions	3,304,311
Total Net Assets	36,580,248
TOTAL LIABILITIES AND NET ASSETS	$ 38,823,454

See accompanying notes and independent auditors' report.

THE GREATER BATON ROUGE FOOD BANK
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and private grants	$ 8,058,862	$ 1,246,585	$ 9,305,447
USDA commodities	5,024,288	-	5,024,288
Other federal grants	2,906,870	503,795	3,410,665
State and local grants	62,500	-	62,500
Commodities received	11,361,925	-	11,361,925
Food sales	200,902	-	200,902
Special events	374,052	-	374,052
Investment income	1,757,681	-	1,757,681
Other	78,127	-	78,127
Net assets released from restrictions	826,235	(826,235)	-
Total revenues and other support	30,651,442	924,145	31,575,587
EXPENSES			
Program expenses - food distribution	29,806,251	-	29,806,251
Supporting services:			
Management and general	1,154,567	-	1,154,567
Fundraising	1,546,534	-	1,546,534
Total supporting services	2,701,101	-	2,701,101
Total Expenses	32,507,352	-	32,507,352
CHANGE IN NET ASSETS	(1,855,910)	924,145	(931,765)
Net assets - beginning of period	35,131,847	2,380,166	37,512,013
Net assets - end of period	$ 33,275,937	$ 3,304,311	$ 36,580,248

See accompanying notes and independent auditors' report.

THE GREATER BATON ROUGE FOOD BANK
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES BY NATURE AND CLASS
FOR THE YEAR ENDED DECEMBER 31, 2025

		Supporting Services		
	Program Expense	Management & General	Fundraising	Total
Advertising	$ -	$ -	$ 42,959	$ 42,959
Bad debt	-	140,411	-	140,411
Bank fees	-	138,762	-	138,762
Contract labor	110,014	-	-	110,014
Depreciation & amortization	798,210	25,475	25,475	849,160
Direct mail expense	-	-	597,615	597,615
Employee benefits	307,343	38,904	42,795	389,042
Equipment	642,485	13,526	20,289	676,300
Flow-through to churches	187,301	-	-	187,301
Food distribution	23,557,314	-	-	23,557,314
Fuel and mileage	80,964	6,094	-	87,058
Insurance	226,154	80,024	41,751	347,929
Interest expense	73,375	2,367	3,156	78,898
Lease expense	300,929	-	-	300,929
Miscellaneous expense	64,746	5,755	1,439	71,940
Payroll taxes	151,309	75,655	25,218	252,182
Printing, publication, and postage	17,518	1,030	84,497	103,045
Professional development	4,733	101,770	11,834	118,337
Professional fees	-	145,464	145,463	290,927
Repairs and maintenance	372,765	7,686	3,843	384,294
Salaries	2,488,151	360,127	425,605	3,273,883
Special event expense	-	-	49,389	49,389
Supplies	206,841	4,546	15,911	227,298
Utilities	216,099	6,971	9,295	232,365
	$ 29,806,251	$ 1,154,567	$ 1,546,534	$ 32,507,352

See accompanying notes and independent auditors' report.

THE GREATER BATON ROUGE FOOD BANK
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	$ (931,765)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Bad debt expense	140,411
Depreciation & amortization	849,160
Discount on promises to give, net	59,431
Realized gain on investments	(140,935)
Unrealized gain on investments	(1,705,145)
Food inventory - commodities	475,804
Food inventory - donated	944,370
Net change in:	
Grants receivable	347,500
Promises to give	(436,268)
Prepaid expenses	122,636
Inventory - purchases	1,871,659
Accounts payable	327,310
Accrued expenses and other liabilities	(102,535)
Deferred revenue	(100,735)
Net cash provided by operating activities	1,720,898
CASH FLOWS FROM INVESTING ACTIVITIES	
Property and equipment purchases	(324,001)
Investment purchases	(120,598)
Investment sales	588,398
Net cash provided by investing activities	143,799
CASH FLOWS FROM FINANCING ACTIVITES	
Principal payments on notes payable	(204,938)
Principal payments on financing lease obligations	(21,580)
Net cash used in financing activities	(226,518)
Net change in cash and cash equivalents	1,638,179
Cash and cash equivalents at beginning of year	1,846,713
Cash and cash equivalents at end of year	$ 3,484,892
SUPPLEMENTAL DISCLOSURE	
Cash paid for interest during the year	$ 78,898
Assets acquired through financing lease	$ 417,095

See accompanying notes and independent auditors' report.

1. Summary of Significant Accounting Policies

(a) Nature of Activities

The Greater Baton Rouge Food Bank (the Food Bank or the Organization) is a not-for-profit organization that gathers, stores, and redistributes food to charitable organizations and churches that serve the needy. Food sources include donations from individuals, corporations, and the U.S. Department of Agriculture (USDA) Commodities program. The Food Bank also receives food from the Federal Emergency Management Agency (FEMA) during times of natural disasters and global pandemics.

On November 29, 2021, the Food Bank formed a new entity known as GBRFB Mission Support (Mission Support). The GBRFB Mission Support exists to support and further the mission and purposes of the Greater Baton Rouge Food Bank, Inc. The Greater Baton Rouge Food Bank, Inc. exists to service emergency, short term, and on-going unmet food needs of individuals in its service area through existing social service providers, congregations and other organizations. This mission is accomplished by supporting or providing services, such as food collection and distribution and education programs.

(b) Consolidation

The consolidated financial statements of the Food Bank include the accounts of Mission Support and the Greater Baton Rouge Food Bank, Inc. for which the Food Bank is the sole member. All significant intercompany accounts and transactions have been eliminated in consolidation.

(c) Basis of Presentation

The consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Food Bank is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Food Bank. These net assets may be used at the discretion of the Food Bank’s management and board of directors.

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met by either actions of the organization or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions. During the year ended December 31, 2025, The Food Bank received contributions and grants with donor restrictions of $1,750,380 and spent $826,235 for the various contributions and grants intended purposes. There are net assets with donor restrictions of $3,304,311 at year end. The remaining restrictions will be satisfied as cost are incurred in fulfillment of the donors' stipulations.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

1. Summary of Significant Accounting Policies (continued)

The Board of Directors authorized the establishment of designated funds for an investment portfolio with the objective to seek growth of income and capital appreciation consistent with long term objectives to meet future obligations of The Food Bank. The investments will be held by GBRFB Mission Support and the purpose of the investments will be to provide financial stability and resources for growth. Such investments will be available for future cash-flow shortfalls and major capital expenditures as well as unforeseen contingencies.

(d) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates have been applied in the determination of donated food values and depreciation of property and equipment in the preparation of the accompanying consolidated financial statements.

(e) Revenue Recognition and Promises to Give

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional contributions are not recognized until the conditions on which they depend have been substantially met and are recorded as deferred revenue.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Promises to give are written off when deemed uncollectable. Management has evaluated Promises to Give and has determined that an allowance of approximately $120,000 is necessary for the year ending December 31, 2025.

Grants receive the same accounting treatment as contributions if the grant activity is to be planned and carried out by the Organization and the Organization has the right to the benefits of carrying out the activity.

1. <u>Summary of Significant Accounting Policies</u> (continued)

(f) <u>Income Taxes</u>

The Food Bank accounts for income taxes in accordance with FASB ASC 740-10, Accounting for *Uncertainty in Income Taxes* . Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The Food Bank is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Food Bank files Form 990 in the U.S. federal jurisdiction. The Organization is no longer subject to federal information return examinations by tax authorities beyond three years from the filing of those returns.

(g) <u>Functional Expenses</u>

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and functional expenses by nature and class. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited. The method of allocation for depreciation, interest expense, waste disposal and other miscellaneous expenses including pest control and security is based on square footage. The method of allocation for insurance, retirement and employee benefits, supplies, telephone and utilities is based on full-time equivalents.

(h) <u>Food Inventory - Donated and Purchased</u>

Food inventory, predominately donated, including food received, distributed and undistributed, is valued using the estimated fair value as determined by the Feeding America Product Valuation Survey prepared on an annual basis. The report, which is one year in arrears, provides the average wholesale value of products donated to the network and is considered to be a reasonable basis upon which to estimate these amounts. The average value of one pound of donated product will vary from year-to-year based on the mix of product items donated and the current value of the product. The 2025 valuation was not available prior to the issuance of the audited financial statements, therefore management used the fair value of $1.90 from the 2024 valuation for the year ended December 31, 2024.

(i) <u>Investments</u>

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment income/(loss) is reported in the consolidated statements of activities and changes in net net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments held in Baton Rouge Area Foundation Investment Pool (BRAF) are carried at net asset value (NAV) of units held by the Food Bank at year end. The change in fair value is recognized as a component of investment income.

1. Summary of Significant Accounting Policies (continued)

(j) Food Inventory - Commodities

The Food Bank records commodities inventory as determined by the commodities price listing produced by the Louisiana Department of Agriculture and Forestry. Commodities inventory received is recorded as net assets without donor restrictions at an amount equal to the determined value in accordance with the aforementioned guidelines.

(k) Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months.

(l) Grant Receivables

Grants receivable are stated at net realizable value. The Food Bank maintains allowances for doubtful accounts for estimated losses resulting from the inability of its grantors to make required payments. Accounts are written off when deemed uncollectable. Management has evaluated receivables and has determined that an allowance of approximately $110,000 is necessary for the year ending December 31, 2025.

(m) Donated Services and Materials

A significant portion of the Food Bank's functions are conducted by unpaid volunteers. The value of the contributed time is not reflected in the consolidated financial statements since the services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America. The Food Bank typically receives donated materials and supplies to aid in their mission. However, these are not considered material to these consolidated financial statements.

(n) Subsequent Events

The Organization evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 30, 2026, the date which the financial statements were available to be issued.

(o) Leases

The Organization determines if an arrangement contains a lease at inception. Leases are then classified as either operating or finance leases depending on the characteristics of the lease. Right-of-use (ROU) assets represent the Organization's right to control the use of a specified asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses the rate available on comparable financing when the discount rate is not implicit in the lease. The lease term is the non-cancelable period of the lease, including any options to extend, purchase, or terminate the lease depending on whether the Organizations are reasonably certain to exercise those options.

1. Summary of Significant Accounting Policies (continued)

The costs associated with operating leases are recognized on a straight-line basis, within functional expenses, over the period of the leases. The finance lease ROU assets are amortized on a straight-line basis over the shorter of their estimated useful lives or the lease terms, and interest expense incurred on the lease liabilities is included in interest expense. If the lease transfers ownership to the Organization or the Organization is reasonably certain to exercise an option to purchase the underlying asset, the ROU asset is amortized to the end of the useful life of the underlying asset. Assumptions made by the Organization at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification when that modification is not accounted for as a separate contract.

The Organization does not recognize ROU assets and lease liabilities on short term leases but recognize lease expense for these leases on a straight-line basis over the lease terms and any variable lease payments in the period in which the obligation for those payments is incurred.

(p) Fixed Assets

Property and equipment are stated at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for repairs and maintenance are expensed as incurred. Upon disposal, the cost and related accumulated depreciation are removed from the accounts. Depreciation and amortization expense for the year ended December 31, 2025 was $849,160.

2. Availability and Liquidity

Financial assets at year end:	
Cash and cash equivalents	$ 3,484,892
Grants receivable, net	184,713
Unconditional promises to give, current, net	135,970
Investments - Mission Support	19,277,761
Pooled investments	1,693,510
Total financial assets	24,776,846
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(3,304,311)
Financial assets available to meet general expenditures over the next twelve months	$ 21,472,535

The Food Bank's cash flows have seasonal variations during the year attributable to a concentration of contributions received during holidays and at calendar year-end. To manage liquidity, the Food Bank maintains certain cash and cash equivalents, as noted above, that could meet any operating cash flow needs for an extended period as well as any major maintenance and repairs needed on their facility.

3. USDA Commodities

The Food Bank participated in the USDA Commodities program during the year ended December 31, 2025. The objective of the program is to provide U.S. Department of Agriculture (USDA) donated commodities to low-income households through eligible organizations for home consumption. Commodities received are recorded in the accompanying consolidated financial statements as unrestricted revenue at their estimated fair value.

Activity of commodities is summarized as follows:

Commodity inventory at beginning of year	$ 606,210
Food commodities received	5,024,288
Distributed, discarded, and adjustment	(5,290,762)
Commodity inventory at end of year	$ 339,736

4. Vehicle Leases

The Food Bank leases delivery trucks for food distribution.

In March 2023, the Food Bank entered into a financing lease agreement with a term of 84 months for a truck with a monthly payment of $3,176. In August 2024, the Food Bank entered into four financing lease agreements, each with a term of 84 months, for trucks with monthly payments of $2,918 each. In 2025 the Food Bank into a financing lease agreement for two additional trucks. The terms are 72 months and 84 months with monthly required payments of $3,176 and $2,847, respectively.

Payments made under the Food Bank's lease arrangements may be fixed or variable, and variable lease payments, such as mileage, are primarily based on output of the underlying leased assets. Lease costs associated with fixed and variables payments on the Food Bank's leases was approximately $300,000 year ended December 31, 2025.

Lease payments for the next five years and thereafter are as follows:

2026	$ 265,140
2027	265,140
2028	265,140
2029	218,956
2030	174,228
Thereafter	130,245
Total lease payments	1,318,849
Less: NPV	(204,672)
Total lease liabilities	$ 1,114,177

The weighted-average remaining lease term and discount rate related to the Food Bank's lease liabilities as of were 4.2 years and 6.66%, respectively, for the year ended December 31, 2025. The discount rates are based on the Food Bank's incremental borrowing rate.

5. Notes Payable

On May 25, 2021, the Food Bank signed a promissory note to refinance the debt that was due August 5, 2021. The new terms and payments commenced on July 5, 2021. The debt now matures on June 5, 2026, requires monthly payments of $17,850, and has an interest rate of 2.75%. The note is collateralized by the building.

Estimated future payments are as follows:

December 31, 2026	$ 104,949

6. Retirement Plan

The Food Bank has a qualified Internal Revenue Code Section 403(b) annuity plan. The Plan covers all employees who have completed at least three months of service. The Food Bank is obligated to match up to 50% of an employee's deferred amount, up to 10% of their pay. The Food Bank has the option to match up to 100% in any one year. The Food Bank contributed approximately $50,000 to this Plan during the year ended December 31, 2025.

7. Commitments and Contingencies

The Food Bank is, from time to time, involved in lawsuits arising in the ordinary course of its business that, in the opinion of management, will not have a material effect on the Food Bank's results of operations.

The Organization receives grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the Organization's management that its compliance with the terms of the grant will not result in any disallowed costs.

8. Investments - Mission Support

Investments- Mission Support consists of investments in marketable securities which consisted of the following at December 31, 2025.

Cash Equivalents	$ 629,541
Stocks, options & EFTs	6,975,981
Fixed income securities	11,593,284
Mutual funds	78,955
Total investments - Mission Support	$ 19,277,761

9. Fair Value of Financial Instruments

Accounting principles generally accepted in the United States of America (GAAP) provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

9. Fair Value of Financial Instruments (continued)

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement, determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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 December 31, 2025.

Stocks, options, and mutual funds: Valued at fair value by using quoted prices for identical securities.

Fixed income securities: Valued at fair value by using a yield-based matrix system to arrive at estimated market value.

Exchange Traded Funds ("ETFs"): Valued at the daily closing price. ETFs are investment companies whose shares are traded intraday on stock exchanges at market-determined prices, which may be greater or less than NAV. Plans may buy or sell ETF shares through a broker or in a brokerage account just as they would the shares of any publicly traded company. ETFs are registered with the SEC, and generally, are structured as open-ended investment companies (open-ended funds) or unit investment trusts.

Money market and pooled funds: Valued at the net asset value (NAV) of units held in BRAF by the Food Bank at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Food Bank's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

9. Fair Value of Financial Instruments (continued)

Fair Value of Assets Measured on a Recurring Basis

The following table presents, for each of the fair-value hierarchy levels, the Food Bank's financial assets that are measured at fair value on a recurring basis at December 31, 2025.

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 629,541	$ -	$ -	$ 629,541
Stock, options & EFTs	6,975,981	-	-	6,975,981
Fixed income securities	-	11,593,284	-	11,593,284
Mutual funds	78,955	-	-	78,955
Total assets in fair value hierarchy	$ 7,684,477	$ 11,593,284	$ -	$ 19,277,761
Pooled investments	$ -	$ 1,693,510	$ -	$ 1,693,510

10 Prior Period Adjustment

Errors resulting in the misstatement of financial statement categories as presented below in the December 31, 2024 financial statements were identified during the current year. The errors related to underreported grants receivable and inventory - donated & purchased while cash, prepaids, property and equipment, and net assets without donor restrictions were overstated. The effects on the financial statements as of and for the year ended December 31, 2024 are summarized below:

	As Previously Stated	Adjustment	Dec. 31, 2024 Restated
Cash	$ 1,893,663	$ (46,950)	$ 1,846,713
Grants Receivable, net	$ 326,317	$ 316,475	$ 642,792
Inventory - Donated & Purchased	$ 4,263,800	$ 60,888	$ 4,324,688
Prepaid	$ 314,937	$ (34,470)	$ 280,467
Property and Equipment, net	$ 12,009,797	$ (769,633)	$ 11,240,164
Net Assets Without Donor Restrictions	$ 35,605,537	$ (473,690)	$ 35,131,847

11. Credit Concentration

The Organization maintains cash accounts with financial institutions, the balances of which may periodically exceed the federally insured amount. Management monitors the financial condition of the financial institutions on a regular basis, along with the cash balances, to minimize potential risk.

12. Unconditional Promises to Give

Promises to give are dedicated by the donors for operating purposes and represent a promise by the donors to pay after the year end. The total promises to give outstanding as of December 31, 2025 is $426,924 and is comprised of the following:

Receivable in less than one year	$	191,555
Receivable in one to five years		416,389
Less: Allowance for doubtful accounts		(121,589)
Less: Discount		(59,431)
	$	426,924

The Food Bank applies a discount rate of 4% to all pledges with a term greater than 12 months.

THE GREATER BATON ROUGE FOOD BANK
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2025

Chief Executive Officer January-October: Michael G. Manning

Chief Executive Officer November-December: Elizabeth Pfifer

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

This organization is not required to report the total compensation, reimbursements, and benefits paid to the chief executive officer as these costs are supported by private funds.