

NORTHWEST ARKANSAS FOOD BANK



**Financial Statements
December 31, 2025 and 2024**

(With Independent Auditor's Report Thereon)

Northwest Arkansas Food Bank

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northwest Arkansas Food Bank
Lowell, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Northwest Arkansas Food Bank** (the Organization), which comprise the statements of financial position as of December 31, 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 the Organization as of December 31, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Responsibility 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, 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 the Organization'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 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The 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* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Northwest Arkansas Food Bank

Lowell, Arkansas

The schedule for network activity reporting and state required supplementary data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 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.

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Rogers, Arkansas
September 1, 2026

Financial Statements

Northwest Arkansas Food Bank

Statements of Financial Position December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 3,604,142	\$ 5,058,694
Certificates of deposit	5,041,294	1,919,429
Accounts receivable	205,402	239,556
Unconditional promises to give	562,240	1,359,861
Prepaid expenses	-	19,177
Inventories	1,640,118	1,037,393
Property and equipment, net	24,834,018	25,002,311
TOTAL ASSETS	<u>\$ 35,887,214</u>	<u>\$ 34,636,421</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 273,182	\$ 258,579
Accrued expenses	59,362	44,554
Total Liabilities	<u>332,544</u>	<u>303,133</u>
Net Assets		
Without donor restrictions		
Undesignated	26,392,786	26,495,324
Designated	7,488,534	4,776,671
With donor restrictions	1,673,350	3,061,293
Total Net Assets	<u>35,554,670</u>	<u>34,333,288</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 35,887,214</u>	<u>\$ 34,636,421</u>

See accompanying notes to the financial statements.

Northwest Arkansas Food Bank

Statement of Activities Year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Donated product	\$ 16,313,239	\$ -	\$ 16,313,239
Shared maintenance fees	4,619,419	-	4,619,419
Grants	1,938,986	656,902	2,595,888
Contributions	5,991,071	30,000	6,021,071
Investment income	204,705	-	204,705
Other income	32,405	-	32,405
Net assets released from restrictions:			
Satisfaction of purpose restriction	1,247,224	(1,247,224)	-
Satisfaction of time restriction	827,621	(827,621)	-
Total Revenue and Support	<u>31,174,670</u>	<u>(1,387,943)</u>	<u>29,786,727</u>
EXPENSES			
Program services			
Warehouse	26,640,920	-	26,640,920
Support services			
General and administrative	1,059,256	-	1,059,256
Fundraising and development	865,169	-	865,169
Total Expenses	<u>28,565,345</u>	<u>-</u>	<u>28,565,345</u>
CHANGE IN NET ASSETS	2,609,325	(1,387,943)	1,221,382
NET ASSETS, BEGINNING OF YEAR	<u>31,271,995</u>	<u>3,061,293</u>	<u>34,333,288</u>
NET ASSETS, END OF YEAR	<u>\$ 33,881,320</u>	<u>\$ 1,673,350</u>	<u>\$ 35,554,670</u>

See accompanying notes to the financial statements.

Northwest Arkansas Food Bank

Statement of Activities Year ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Donated product	\$ 17,601,593	\$ -	\$ 17,601,593
Shared maintenance fees	3,462,147	-	3,462,147
Grants	184,470	1,701,432	1,885,902
Contributions	6,722,511	1,500	6,724,011
Investment income	165,637	-	165,637
Other income	20,594	-	20,594
Net assets released from restrictions:			
Satisfaction of purpose restriction	1,150,448	(1,150,448)	-
Satisfaction of time restriction	1,043,566	(1,043,566)	-
Total Revenue and Support	<u>30,350,966</u>	<u>(491,082)</u>	<u>29,859,884</u>
EXPENSES			
Program services			
Warehouse	25,357,393	-	25,357,393
Support services			
General and administrative	901,810	-	901,810
Fundraising and development	800,959	-	800,959
Total Expenses	<u>27,060,162</u>	<u>-</u>	<u>27,060,162</u>
CHANGE IN NET ASSETS	3,290,804	(491,082)	2,799,722
NET ASSETS, BEGINNING OF YEAR	<u>27,981,191</u>	<u>3,552,375</u>	<u>31,533,566</u>
NET ASSETS, END OF YEAR	<u>\$ 31,271,995</u>	<u>\$ 3,061,293</u>	<u>\$ 34,333,288</u>

See accompanying notes to the financial statements.

Northwest Arkansas Food Bank

Statement of Functional Expenses Year ended December 31, 2025

	Program Services	Support Services		
	Warehouse	General and Administrative	Fundraising and Development	Total
Advertising costs	\$ 9,925	\$ 11,579	\$ 61,201	\$ 82,705
Auto and truck expense	38,896	7,359	6,308	52,563
Credit loss expense	-	33,334	-	33,334
Depreciation	998,701	-	-	998,701
Donations	100,905	-	-	100,905
Dues and subscriptions	78,420	14,836	12,717	105,973
Food product	21,119,481	-	-	21,119,481
Fundraising	27,837	32,476	171,660	231,973
Insurance	-	129,487	-	129,487
Labor costs	2,688,538	508,642	435,979	3,633,159
Loss on sale of property and equipment	-	3,009	-	3,009
Office expense	10,184	11,882	62,799	84,865
Other expenses	28,160	173,656	32,854	234,670
Professional fees	88,508	16,745	14,353	119,606
Rent expense	-	37,737	-	37,737
Repairs and maintenance	173,341	32,794	28,109	234,244
Training and conferences	7,514	1,422	1,218	10,154
Travel	34,872	6,597	5,655	47,124
Utilities and telephone	199,279	37,701	32,316	269,296
Warehouse expense	1,036,359	-	-	1,036,359
	<u>\$ 26,640,920</u>	<u>\$ 1,059,256</u>	<u>\$ 865,169</u>	<u>\$ 28,565,345</u>

See accompanying notes to the financial statements.

Northwest Arkansas Food Bank

Statement of Functional Expenses Year ended December 31, 2024

	Program Services	Support Services		
	Warehouse	General and Administrative	Fundraising and Development	Total
Advertising costs	\$ 5,231	\$ 6,102	\$ 32,255	\$ 43,588
Auto and truck expense	37,585	7,110	6,095	50,790
Depreciation	590,028	-	-	590,028
Donations	152,238	-	-	152,238
Dues and subscriptions	52,087	9,854	8,447	70,388
Food product	21,134,344	-	-	21,134,344
Fundraising	33,297	38,847	205,332	277,476
Insurance	-	141,339	-	141,339
Labor costs	2,291,173	433,465	371,542	3,096,180
Office expense	13,508	15,759	83,299	112,566
Other expenses	25,132	154,979	29,320	209,431
Professional fees	73,685	13,940	11,949	99,574
Rent expense	-	18,911	-	18,911
Repairs and maintenance	157,155	29,731	25,485	212,371
Training and conferences	11,321	2,141	1,836	15,298
Travel	30,874	5,841	5,007	41,722
Utilities and telephone	125,751	23,791	20,392	169,934
Warehouse expense	623,984	-	-	623,984
	<u>\$ 25,357,393</u>	<u>\$ 901,810</u>	<u>\$ 800,959</u>	<u>\$ 27,060,162</u>

See accompanying notes to the financial statements.

Northwest Arkansas Food Bank

Statements of Cash Flows Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,221,382	\$ 2,799,722
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	998,701	590,028
Donated product received	(16,313,239)	(17,601,593)
Donated product distributed	16,084,270	17,470,591
Loss on sale of property and equipment	3,009	-
Contributions restricted for long-term purposes	(82,431)	(753,710)
Change in:		
Accounts receivable	34,154	(172,046)
Unconditional promises to give	811,183	1,005,463
Prepaid expenses	19,177	(19,177)
Inventories	(373,756)	82,660
Accounts payable	14,603	(743,154)
Accrued expenses	14,808	(35,762)
Net Cash From Operating Activities	<u>2,431,861</u>	<u>2,623,022</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(833,417)	(7,054,218)
Net change in certificates of deposit	(3,121,865)	1,591,852
Net Cash (Used For) Investing Activities	<u>(3,955,282)</u>	<u>(5,462,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of contributions restricted for long-term purposes	68,869	790,313
Net Cash From Financing Activities	<u>68,869</u>	<u>790,313</u>
NET CHANGE IN CASH	(1,454,552)	(2,049,031)
CASH, BEGINNING OF YEAR	<u>5,058,694</u>	<u>7,107,725</u>
CASH, END OF YEAR	<u><u>\$ 3,604,142</u></u>	<u><u>\$ 5,058,694</u></u>

See accompanying notes to the financial statements.

Northwest Arkansas Food Bank

Notes to Financial Statements December 31, 2025 and 2024

NOTE 1: NATURE OF ACTIVITIES

Northwest Arkansas Food Bank (the Organization), is a private, not-for-profit organization providing services for the collection and distribution of food items to other qualifying charitable organizations in the Northwest Arkansas area.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

Basis of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Codification Topic *Not-for-Profit Entities*. Under this Topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Accounts Receivable

Accounts receivable consist of amounts due from the various nonprofit agencies for food purchased during the year. For the years ended December 31, 2025 and 2024, accounts receivable are deemed fully collectible; therefore, no allowance for credit losses is considered necessary. If accounts become uncollectible, they will be charged to operations when that determination is made. Determination of uncollectibility is made by management based on knowledge of individual accounts and consideration of such factors as historical losses, current economic conditions, and reasonable and supportable forecasts of future conditions over the contractual life of the receivable. Accounts are generally uncollateralized. Past-due status is based on contractual terms. Past-due accounts are not charged interest.

Unconditional Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give monies or other non-cash items to the Organization. The Organization uses the allowance method to determine the collectability of its unconditional promises to give. Management has determined that promises to give at December 31, 2025 and 2024 are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary. At December 31, 2025 and 2024, all promises to give are expected to be collected within two years.

Inventories

Inventory consists of food and other items on hand that are valued at an average donated per pound value as determined by Feeding America. During the years ended December 31, 2025 and 2024, the Organization received 7,464,262 and 8,010,377 pounds of donated product, respectively, valued at \$1.92 and \$1.90 per pound, respectively, based on information provided by Feeding America. At December 31, 2025 and 2024, 399,579 and 165,522 pounds were in inventory, respectively.

Northwest Arkansas Food Bank

Notes to Financial Statements December 31, 2025 and 2024

The Organization is part of the United States Department of Agriculture (USDA) commodities program. Under this program, the Organization distributes food to designated food pantries on behalf of USDA. During the years ended December 31, 2025 and 2024, the Organization received 1,761,612 and 2,034,062 pounds of commodities from USDA, respectively. The products were valued at \$1.00 (Commodity Supplemental Food Program) and \$1.15 (The Emergency Food Assistance Program), and \$1.02 (Commodity Supplemental Food Program) and \$1.19 (The Emergency Food Assistance Program), respectively, based on information provided by the USDA commodities program. At December 31, 2025 and 2024, 102,391 and 244,499 pounds were in inventory, respectively.

Inventory that is purchased is valued at cost. The Organization evaluates perishable products on a continuing basis for spoilage, and immediately records the loss of inventory when spoilage occurs. No provision for estimated spoilage of inventory has been made, as management believes all inventory will be sold prior to any spoilage.

Property and Equipment

Property and equipment are recorded at cost or at fair market value at date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from three to forty years.

Long-Lived Assets

FASB Codification Topic *Property, Plant and Equipment*, Section *Subsequent Measurement* requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The application of this Codification Topic has not materially affected the Organization's financial position or results of operations.

Net Assets and Contributions Revenue

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization recognizes contributions received and made, including pledges receivable, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met.

Gifts of land, buildings, and equipment are presented as support and revenue without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Gifts of financial assets, such as donated stock, are converted nearly immediately into cash without limitation or restrictions on sale. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Northwest Arkansas Food Bank

Notes to Financial Statements December 31, 2025 and 2024

Contributed services which increase non-financial assets such as property or inventory, as well as services contributed by individuals with specialized skill which would have otherwise been purchased, are reported as unrestricted support. Other contributed services that enhance the Organization's programs, but are not so essential that they would otherwise be purchased, are not recorded as support.

Revenue Recognition

Cost-reimbursable federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statements of Financial Position. The Organization recognizes contributions when cash, an unconditional promise to give, donated product, or a notification of a beneficial interest is received. Shared maintenance fees are recognized when the performance obligation of providing the product is satisfied.

Shared Maintenance Fees

During the years ended December 31, 2025 and 2024, some of the food and grocery products distributed by the Organization to its member agencies and other food banks are assessed a shared maintenance fee of up to \$0.09 (member agencies) and \$0.65 (other food banks) per pound to assist in on-going operating costs of the Organization.

Advertising Costs

The Organization expenses advertising costs as they are incurred.

Functional Allocation of Expenses

The Organization 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 according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on the amount of time expended.

Income Taxes and Uncertain Tax Positions

The Organization qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar state statute and is not subject to tax at the entity level for federal and state income tax purposes. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a).

The Organization accounts for uncertain tax positions in accordance with the provisions of FASB Codification Topic *Income Taxes*. FASB Codification Topic *Income Taxes* clarifies the accounting for uncertainty in income taxes and requires the Organization to recognize in their financial statements the impact of a tax position taken or expected to be taken in a tax return, if that position is more likely than not to be sustained under audit, based on the technical merits of the position. Management has assessed the tax positions of the Organization and determined that no positions exist that require adjustment or disclosure under the provisions of FASB Codification Topic *Income Taxes*. The Organization files informational "Return of Organization Exempt from Income Tax" in the U.S. federal jurisdiction.

Northwest Arkansas Food Bank

Notes to Financial Statements December 31, 2025 and 2024

Use 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 certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: CONCENTRATIONS OF RISK

The Organization uses financial institutions in which it maintains cash, which at times may exceed the FDIC insured limit of \$250,000. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on cash. At December 31, 2025 and 2024, the Organization had no uninsured or uncollateralized cash.

During the years ended December 31, 2025 and 2024, one and two unrelated organizations provided 12% and 23% of the Organization's contributions and grants, respectively. At December 31, 2025 and 2024, one and two donors made up approximately 89% and 92%, respectively, of total unconditional promises to give.

At December 31, 2025 and 2024, two and one, respectively, customers made up approximately 41% and 17%, respectively, of total accounts receivable.

NOTE 4: UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 500,000	\$ 804,931
Receivable in 1-2 years	<u>62,240</u>	<u>554,930</u>
	<u>\$ 562,240</u>	<u>\$ 1,359,861</u>

The unconditional promises to give balance is comprised primarily of promises to give from board members and external donors. The Organization considers the balance to be fully collectible. Accordingly, no allowance for uncollectible promises to give is deemed necessary.

Northwest Arkansas Food Bank

Notes to Financial Statements December 31, 2025 and 2024

NOTE 5: PROPERTY AND EQUIPMENT

Major classifications of property and equipment are summarized below:

	2025	2024
Property and equipment subject to depreciation:		
Buildings and improvements	\$ 23,988,070	\$ 23,921,719
Construction in progress	-	19,126
Equipment	1,317,696	982,221
Office furniture and equipment	461,000	491,552
Vehicles	1,395,542	1,095,858
	27,162,308	26,510,476
Accumulated depreciation	(2,817,056)	(1,996,931)
Land	488,766	488,766
	<u>\$ 24,834,018</u>	<u>\$ 25,002,311</u>

The Organization completed and placed into service the new warehouse facility on June 17, 2024, with a final cost of approximately \$22,500,000.

NOTE 6: DESIGNATED NET ASSETS

At December 31, 2025 and 2024, the Organization's Board of Directors has designated net assets without donor restrictions for the purpose of food purchases of \$7,488,534 and \$4,776,671, respectively.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2025 and 2024, net assets with donor restrictions consisted of the following:

	2025	2024
Purpose restrictions:		
Advocacy	\$ 42,500	\$ -
Facility and other programs	435,897	847,860
Garden	-	5,000
Various food programs	632,713	848,572
Time restrictions	562,240	1,359,861
	<u>\$ 1,673,350</u>	<u>\$ 3,061,293</u>

Northwest Arkansas Food Bank

Notes to Financial Statements December 31, 2025 and 2024

NOTE 8: RETIREMENT PLAN

The Organization adopted a Simple IRA plan effective January 1, 2012. Employees who have been employed at the Organization for sixty days are eligible to participate. The Plan allows employees to contribute, through payroll deductions, to a retirement account and to direct those contributions among certain investment options. For the years ended December 31, 2025 and 2024, the Organization contributed 2% of compensation for each eligible employee, which totaled \$54,419 and \$47,392, respectively, included in "Labor costs" on the Statements of Functional Expenses.

NOTE 9: LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statements of Financial Position, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash	\$ 3,604,142	\$ 5,058,694
Certificates of deposit	5,041,294	1,919,429
Accounts receivable	205,402	239,556
Unconditional promises to give	<u>562,240</u>	<u>1,359,861</u>
 Total financial assets available within one year	 9,413,078	 8,577,540
 Less amounts restricted by donors with purpose restrictions	 1,111,110	 1,701,432
Less amounts restricted by donors with time restrictions, excluding pledges receivable to be collected and available for use in one year	62,240	554,930
Less amounts designated by the board for food purchases	<u>7,488,534</u>	<u>4,776,671</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 751,194</u>	 <u>\$ 1,544,507</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization manages its liquidity and reserves following three guiding principles: operating with a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

NOTE 10: SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 1, 2026, the date that the financial statements were available to be issued.

Supplementary Information

Northwest Arkansas Food Bank

Schedule for Network Activity Reporting (Unaudited) Year ended December 31, 2025

	<u>Cash</u>	<u>Donated or Gifts in Kind</u>	<u>Total</u>
Public Sources of Revenue			
(1) Shared maintenance	\$ 4,619,419	\$ -	\$ 4,619,419
(6) Value of donated food	-	16,313,239	16,313,239
(8) TEFAP/CFSP administration	96,866	-	96,866
(15) Other state, local government funds (including grants)	2,434,832	-	2,434,832
(18) Loss on sale of property and equipment	(3,009)	-	(3,009)
Total public sources of revenue	<u>\$ 7,148,108</u>	<u>\$ 16,313,239</u>	<u>\$ 23,461,347</u>
Operating Expenses			
(1) Wages and benefits	\$ 3,083,086	\$ -	\$ 3,083,086
(2) Staff support expenses	13,094	-	13,094
(3) Professional services	99,574	-	99,574
(4) Technology	91,230	-	91,230
(5) Product purchases	3,532,751	-	3,532,751
(6) Value of donated food distributed	-	14,331,383	14,331,383
(7) Value of USDA food distributed	-	1,981,856	1,981,856
(8) Grants and donations to other organizations	315,068	-	315,068
(9) Occupancy	268,225	-	268,225
(12) Supplies expense	33,500	-	33,500
(13) Direct marketing	178,474	-	178,474
(14) Event expense	96,107	-	96,107
(15) Advertising expense	43,588	-	43,588
(16) Printing and postage	79,066	-	79,066
(18) Insurance expense	141,339	-	141,339
(20) Bank fees	28,104	-	28,104
(21) Fees/dues/publications	70,388	-	70,388
(22) Depreciation	590,028	-	590,028
(23) All other expenses	3,585,475	-	3,585,475
Total operating expenses	<u>\$ 12,249,097</u>	<u>\$ 16,313,239</u>	<u>\$ 28,562,336</u>

See Independent Auditor's Report.

Northwest Arkansas Food Bank

**State Required Supplementary Data (Unaudited)
Year ended December 31, 2025**

Supplementary Data Sheet

Northwest Arkansas Food Bank
1604 Honeysuckle Street
Lowell, AR 72745

TIN #: 71-068030

Phone #: 479-872-8774

President/CEO: Taylor Speegle

Contact Person: Taylor Speegle

Audit fee: available upon request

See Independent Auditor's Report.

Northwest Arkansas Food Bank

Schedule of Expenditures of Federal Awards Year ended December 31, 2025

Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Passed through to Sub-recipients	Revenues	Expenditures
<u>Federal Awards</u>				
U.S. Department of Agriculture				
Food Distribution Cluster				
Passed through Arkansas Department of Education				
Commodity Supplemental Food Program - TEFAP	10.565	\$ 341,640	\$ 341,640	\$ 341,640
Commodity Supplemental Food Program - TEFAP (Administrative Costs)	10.568	-	96,866	96,866
Emergency Food Assistance Program (Administrative Costs)	10.568	-	47,264	47,264
Commodity Distribution - TEFAP	10.569	1,640,216	1,640,216	1,640,216
Total Food Distribution Cluster		1,981,856	2,125,986	2,125,986
Passed through Arkansas Department of Education				
ARPA - Local Food Purchases Assistance	10.182	-	212,700	212,700
Local Food Purchases Assistance	10.182	-	288,214	288,214
		-	500,914	500,914
Total U.S. Department of Agriculture		1,981,856	2,626,900	2,626,900
U.S. Department of Health and Human Services				
Passed through Arkansas Department of Health and Human Services				
Senior Farmers Market Nutrition Program	10.567	-	25,292	25,292
Total U.S. Department of Health and Human Services		-	25,292	25,292
TOTAL FEDERAL AWARDS		\$ 1,981,856	\$ 2,652,192	\$ 2,652,192

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards.

Northwest Arkansas Food Bank

Notes to Schedule of Expenditures of Federal Awards Year ended December 31, 2025

NOTE 1: BASIS OF PRESENTATION

The significant accounting policies used in preparing the Schedule of Expenditures of Federal Awards (the Schedule) are described in Note 2 to the accompanying financial statements. Revenue from Federal Awards detailed above is included in Donated product, Shared maintenance fees, and Grants in the Statements of Activities. The Organization has elected not to use the de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE 2: NONCASH ASSISTANCE

Noncash assistance recorded in the Schedule consists of food commodities donated by the USDA (Commodity Supplemental Food Program, or CFSP, ALN #10.565 and The Emergency Food Assistance Program, or TEFAP, ALN #10.569) and passed through the Arkansas Department of Education to the Organization. The donated food commodities are valued at the estimated fair value of \$1.00 (CFSP) and \$1.15 (TEFAP) per pound (as valued by Feeding America). The Organization's accounting policy for donated inventories is more fully described in Note 2 of the financial statements and follows accounting principles generally accepted in the United States of America.



**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
Northwest Arkansas Food Bank
Lowell, Arkansas

We have audited, 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, the financial statements of **Northwest Arkansas Food Bank** (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 September 1, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements we considered the Organization'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 the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity'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 and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Rogers, Arkansas
September 1, 2026



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Northwest Arkansas Food Bank
Lowell, Arkansas

Report on Compliance for the Major Federal Program

Opinion on Each Major Federal Program

We have audited **Northwest Arkansas Food Bank's** (a not-for-profit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each on the Organization's major federal programs for the year ended December 31, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

Northwest Arkansas Food Bank

Lowell, Arkansas

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

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

A handwritten signature in black ink that reads "Landmark PLC". The word "Landmark" is written in a cursive style, and "PLC" is written in a more upright, blocky cursive style.

Rogers, Arkansas
September 1, 2026

Schedule of Findings and Questioned Costs

Year ended December 31, 2025

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Northwest Arkansas Food Bank

Schedule of Findings and Questioned Costs Year ended December 31, 2025

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

There were no audit findings for the year ended December 31, 2025.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no audit findings for the year ended December 31, 2025.

Northwest Arkansas Food Bank

Summary Schedule of Status of Prior Year Audit Findings Year ended December 31, 2025

There were no prior year audit findings for the year ended December 31, 2024.