

**CONNECTICUT FOODSHARE, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**



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**CONNECTICUT FOODSHARE, INC.  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Connecticut Foodshare, Inc.  
Wallingford, Connecticut

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

#### ***Opinion***

We have audited the accompanying financial statements of Connecticut Foodshare, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connecticut Foodshare, Inc. as of June 30, 2025 and 2024, and the changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Connecticut Foodshare, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

***Auditors' 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 auditors' 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:

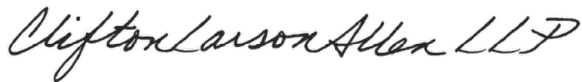
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Connecticut Foodshare, 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 Connecticut Foodshare, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Board of Directors  
Connecticut Foodshare, Inc.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025, on our consideration of Connecticut Foodshare, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Connecticut Foodshare, 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 Connecticut Foodshare, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
November 5, 2025

**CONNECTICUT FOODSHARE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,093,497	\$ 2,769,287
Investments	32,661,152	33,168,124
Contributions Receivable	297,923	133,695
Government Grants Receivable	381,499	1,941,585
Accounts Receivable	249,041	274,843
Donated Food Inventory	2,843,266	2,447,576
Purchased Food Inventory	323,538	399,174
Prepaid Expenses and Other Assets	264,968	459,025
Land, Building, and Equipment, Net	13,938,891	13,388,085
Right-of-Use Assets - Operating	268,963	415,657
Right-of-Use Assets - Financing	905,975	1,045,884
	<b>\$ 55,228,713</b>	<b>\$ 56,442,935</b>
<b>Total Assets</b>	<b>\$ 55,228,713</b>	<b>\$ 56,442,935</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 1,316,418	\$ 1,192,871
Lease Liability - Operating	271,280	417,855
Lease Liability - Financing	950,135	1,069,989
Deferred Revenue and Other Liabilities	516,721	1,161,586
Total Liabilities	3,054,554	3,842,301
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Designated	48,347,055	48,020,931
Undesignated	-	808,470
Total Without Donor Restrictions	48,347,055	48,829,401
With Donor Restrictions	3,827,104	3,771,233
Total Net Assets	52,174,159	52,600,634
Total Liabilities and Net Assets	<b>\$ 55,228,713</b>	<b>\$ 56,442,935</b>

See accompanying Notes to Financial Statements.

**CONNECTICUT FOODSHARE, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Donated Food:		
Donated Food	\$ 71,606,963	\$ 66,330,880
Donated Food Distributed	(99,743,894)	(90,543,039)
Subtotal	(28,136,931)	(24,212,159)
Net Assets Released from Restrictions	28,472,563	24,216,559
Changes in Net Assets Without Donor Restrictions - Donated Food	335,632	4,400
Revenues and Gains - Operations:		
Contributions	20,173,147	19,176,338
Net Realized and Unrealized Gain on Investments	2,422,824	2,447,654
Dividend and Interest Income	683,359	793,627
Buying Club	2,980,459	3,594,632
Miscellaneous Revenue	1,269	2,250
Subtotal	26,261,058	26,014,501
Net Assets Released from Restrictions	4,894,492	5,537,583
Total Revenues and Gains Without Donor Restrictions - Operations	31,155,550	31,552,084
Expenses - Operations:		
Program Services:		
Food Collection and Distribution	19,720,191	20,261,762
Outreach	3,464,994	4,148,539
Supporting Services:		
Management and General	4,834,496	4,552,463
Fundraising	3,953,847	3,328,014
Total Expenses - Operations	31,973,528	32,290,778
Changes in Net Assets Without Donor Restrictions - Operations	(817,978)	(738,694)
Decrease in Net Assets Without Donor Restrictions	(482,346)	(734,294)
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Donated Food:		
Donated Food	28,557,797	24,470,990
Net Assets Released from Restrictions	(28,472,563)	(24,216,559)
Changes in Net Assets With Donor Restrictions - Donated Food	85,234	254,431
Operations:		
Contributions	912,575	745,176
Governmental Grants	3,952,554	5,134,829
Net Assets Released from Restrictions	(4,894,492)	(5,537,583)
Changes in Net Assets With Donor Restrictions - Operations	(29,363)	342,422
Increase In Net Assets With Donor Restrictions	55,871	596,853
<b>DECREASE IN NET ASSETS</b>	(426,475)	(137,441)
Net Assets - Beginning of Year	52,600,634	52,738,075
<b>NET ASSETS - END OF YEAR</b>	\$ 52,174,159	\$ 52,600,634

See accompanying Notes to Financial Statements.

**CONNECTICUT FOODSHARE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2025**

	Program Services			Supporting Services		
	Food Collection and Distribution	Outreach	Total Program Services	Management and General	Fundraising	Total
Donated Food Distributed	\$ 99,743,894	\$ -	\$ 99,743,894	\$ -	\$ -	\$ 99,743,894
Salaries	4,127,435	1,963,907	6,091,342	2,199,804	1,533,107	9,824,253
Payroll Taxes and Related Benefits	1,540,815	727,530	2,268,345	849,285	570,081	3,687,711
Other Food Collection Expenses	6,280,584	-	6,280,584			6,280,584
Purchased Food	3,346,600	-	3,346,600			3,346,600
Repairs and Maintenance	1,011,472	10,938	1,022,410	583,953	200,858	1,807,221
Development and Miscellaneous:						
Fundraising Event Expenses	-	28,852	28,852	-	1,184,102	1,212,954
Depreciation and Amortization	804,135	56,707	860,842	86,164	72,172	1,019,178
Trucks	925,495	-	925,495	-	-	925,495
Other Personnel Expenses	675,793	15,963	691,756	121,270	16,976	830,002
Occupancy and Technology Costs	476,136	89,109	565,245	78,366	66,832	710,443
Professional Fees	139,646	54,707	194,353	339,532	3,333	537,218
Contributions to Other Organizations	-	319,653	319,653	178,656	-	498,309
Credit Card, Bank, and Investment:						
Management Fees	-	-	-	120,008	210,714	330,722
Supplies	200,883	37,982	238,865	33,735	-	272,600
Other	71,303	62,666	133,969	62,006	13,028	209,003
Telephone	16,160	11,039	27,199	97,676	4,080	128,955
Travel	29,914	40,772	70,686	19,957	12,506	103,149
Printing	3,159	17,051	20,210	20,904	21,587	62,701
Conferences and Training	4,059	23,661	27,720	14,269	8,081	50,070
Interest	49,441	-	49,441	-	-	49,441
Postage	-	-	-	26,014	4,850	30,864
Donated Goods and Services	-	-	-	-	28,197	28,197
Feeding America Fees	17,161	4,457	21,618	2,897	3,343	27,858
<b>Total Functional Expenses</b>	<b>\$ 119,464,085</b>	<b>\$ 3,464,994</b>	<b>\$ 122,929,079</b>	<b>\$ 4,834,496</b>	<b>\$ 3,953,847</b>	<b>\$ 131,717,422</b>

See accompanying Notes to Financial Statements.

**CONNECTICUT FOODSHARE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2024**

	Program Services			Supporting Services		
	Food Collection and Distribution	Outreach	Total Program Services	Management and General	Fundraising	Total
Donated Food Distributed	\$ 90,543,039	\$ -	\$ 90,543,039	\$ -	\$ -	\$ 90,543,039
Salaries	3,948,817	1,834,343	5,783,160	2,073,613	1,221,439	9,078,212
Payroll Taxes and Related Benefits	1,361,805	661,755	2,023,560	656,023	468,857	3,148,440
Other Food Collection Expenses	6,233,035	-	6,233,035	-	-	6,233,035
Purchased Food	4,276,571	-	4,276,571	-	-	4,276,571
Repairs and Maintenance	956,622	17,610	974,232	708,887	89,046	1,772,165
Development and Miscellaneous:						
Fundraising Event Expenses	-	-	-	-	1,188,878	1,188,878
Depreciation and Amortization	867,611	57,936	925,547	79,246	73,737	1,078,530
Trucks	903,260	-	903,260	-	-	903,260
Other Personnel Expenses	737,427	16,741	754,168	120,704	23,774	898,646
Occupancy and Technology Costs	435,381	-	435,381	243,755	-	679,136
Professional Fees	21,349	55,133	76,482	284,868	6,300	367,650
Contributions to Other Organizations	-	1,324,941	1,324,941	-	-	1,324,941
Credit Card, Bank, and Investment:						
Management Fees	-	-	-	92,187	200,363	292,550
Supplies	193,401	25,530	218,931	37,181	44	256,156
Other	36,656	65,587	102,243	65,257	15,647	183,147
Telephone	15,360	12,270	27,630	89,994	4,400	122,024
Travel	35,581	60,068	95,649	27,774	15,120	138,543
Printing	9,963	1,577	11,540	26,320	12,256	50,116
Conferences and Training	7,078	15,048	22,126	13,886	8,153	44,165
Interest	50,950	-	50,950	2,253	-	53,203
Postage	-	-	-	30,515	-	30,515
Donated Goods and Services	150,000	-	150,000	-	-	150,000
Feeding America Fees	20,895	-	20,895	-	-	20,895
<b>Total Functional Expenses</b>	<b>\$ 110,804,801</b>	<b>\$ 4,148,539</b>	<b>\$ 114,953,340</b>	<b>\$ 4,552,463</b>	<b>\$ 3,328,014</b>	<b>\$ 122,833,817</b>

See accompanying Notes to Financial Statements.

**CONNECTICUT FOODSHARE, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (426,475)	\$ (137,441)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Realized and Unrealized Gain on Investments	(2,511,512)	(2,501,048)
Depreciation and Amortization	1,019,178	1,078,530
Donated Food Received and Distributed, Net	(395,690)	(74,674)
(Increase) Decrease in Operating Assets:		
Handling and Buying Club Fees Receivable	25,802	(195,712)
Contributions Receivable	(164,228)	90,091
Government Grants Receivable	1,560,086	(1,132,853)
Purchased Food Inventory	75,636	28,961
Prepaid Expenses and Other Assets	194,057	24,268
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	123,547	(561,974)
Deferred Revenue and Other Liabilities	(644,865)	592,723
Net Cash Used by Operating Activities	(1,144,464)	(2,789,129)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Sales of Investments	3,018,484	4,514,627
Purchases of Land, Building and Equipment	(1,401,773)	(48,679)
Net Cash Provided by Investing Activities	1,616,711	4,465,948
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Obligation Under Finance Leases	(148,037)	(123,978)
Net Cash Used by Financing Activities	(148,037)	(123,978)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	324,210	1,552,841
Cash and Cash Equivalents - Beginning of Year	2,769,287	1,216,446
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 3,093,497	\$ 2,769,287
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 49,441	\$ 53,203

See accompanying Notes to Financial Statements.

**CONNECTICUT FOODSHARE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Connecticut Foodshare, Inc. (the Organization) was incorporated in 1982 as a nonstock, nonprofit corporation. Its mission is to deliver an informed and equitable response to hunger by mobilizing community partners, volunteers, and supporters. It represents the collaboration, compassion, openness, perseverance, and a deep appreciation for Connecticut and its people that are necessary to effectively address food insecurity in the communities served.

**Basis of Presentation**

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Organization, are reported in the following net asset categories:

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions represent available resources other than donor-restricted contributions. These assets represent resources that may be expended at the discretion of the board of directors. The Organization reports its changes in net assets without donor restrictions in two categories: donated food and operations.

The board has identified the following designations of net assets without donor restrictions as of June 30:

	2025	2024
Investments in Land, Building, and Equipment	\$ 13,938,891	\$ 13,388,085
Investments	32,661,152	33,168,124
Food Distribution	1,747,012	1,464,722
Total Designated Net Assets Without Donor Restrictions	\$ 48,347,055	\$ 48,020,931

*Net Assets With Donor Restrictions* – Net assets with donor restrictions represent resources that have donor-imposed restrictions as to purpose or time of expenditure.

**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. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

**CONNECTICUT FOODSHARE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with maturities of 90 days or less and cash in banks to be cash equivalents, exclusive of certain cash and short-term investments held in brokerage accounts, which are considered to be investments. The Organization maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. As of June 30, 2025 and 2024, the Organization had approximately \$4,000,000 and \$3,900,000 in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. The Organization has not experienced any losses in such accounts.

**Short-Term Investments**

Short-term investments include money market funds, for which the cost approximates the fair value.

**Investment Valuation and Income Recognition**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized loss on investments includes the Organization's gains and losses on investments bought and sold as well as held during the year. Realized and unrealized gains and losses and investment income are classified as increases and decreases in net assets without donor restriction.

The Organization has an investment policy with the intended objective of achieving balance between growth and income and to achieve market rates of return. Funds not designated for capital expenditure and not expected to be needed for a minimum of seven years may be invested on a long-term basis. The Organization annually determines the amount to be invested long term. The investment portfolio consists of investments in equity mutual and exchange traded funds and bond mutual and exchange traded funds.

**Inventory**

Donated and purchased food inventory consists of perishable and nonperishable foods. The pricing of the donated inventory, donated food revenue and donated food distributed is determined based on a study commissioned by Feeding America, a national food bank network, of the average wholesale value of products donated to the network. Inventory acquired is stated at the values or methods shown below:

<u>Inventory Type</u>	<u>Valuation 2025</u>	<u>Valuation 2024</u>
Donated Food Inventory	\$1.72/Pound	\$1.74/Pound
Donated Food and Nonfood Inventory	\$1.90/Pound	\$1.97/Pound
Purchased Inventory	Net Realizable Value	Net Realizable Value

**CONNECTICUT FOODSHARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Land, Building, and Equipment**

Land is stated at cost. Building and improvements, leasehold improvements, and other fixed asset acquisitions and improvements thereon that exceed \$10,000 are capitalized at cost and are depreciated on the straight-line method over their estimated useful lives as follows:

Building and Improvements	5 to 30 Years
Leasehold Improvements	5 to 10 Years
Furniture and Equipment	5 to 20 Years
Vehicles	5 to 10 Years

**Leases**

The Organization leases equipment, vehicles, and a warehouse. The Organization determines if an arrangement is a lease at inception. Operating leases are included in Right-of-Use Assets – Operating and Lease Liability - Operating on the statements of financial position. Finance leases are included in Right-of-Use Assets – Financing and Lease Liability – Financing on the statements of financial position.

ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**CONNECTICUT FOODSHARE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions, Including Government Grants and Contracts**

Certain governmental grants and contracts received by a nonprofit are generally considered to be contributions rather than exchange transactions since there was not commensurate value transferred between the resource provider and the Organization. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of release from obligation) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor.

The Organization reports contributions of cash and other assets as donor-restricted support if they are received with donor stipulations that limit their use. When a donor 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 accompanying statement of activities as net assets released from restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as deferred revenue on the accompanying statement of financial position.

Conditional government grants and contracts not recognized as revenue as of June 30, 2025 and 2024, totaled \$516,721 and \$1,161,586, respectively. Government grants and contracts are conditioned on incurring qualified program expenses.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions on how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. The Organization reports expirations of donor restrictions when the assets are placed in service.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been reported on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on a reasonable basis. The expenses that have been allocated and method of allocation is as follows:

<u>Expense Category</u>	<u>Method Allocation</u>
Salaries, Payroll Taxes and Related Benefits	Time and Effort
Occupancy	Headcount or Full Time Equivalent
Technology Costs	Full Time Equivalent
Depreciation and Amortization	Headcount or Full Time Equivalent
Professional Fees	Usage

**CONNECTICUT FOODSHARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services**

The Organization has many dedicated volunteers who have donated numerous hours of service in fundraising and community related activities. Because those donated services do not meet the recognition criteria required under accounting principles generally accepted in the United States of America, such services have not been recognized as contribution revenue and expense in the Organization's financial statements.

**Income Tax Status**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity.

**Subsequent Events**

In preparing these financial statements, management has evaluated subsequent events through November 5, 2025, which represents the date the financial statements were available to be issued.

**NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides 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). The three levels of the fair value hierarchy are described below:

*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.

The asset's or liability's 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.

**CONNECTICUT FOODSHARE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

The following is a description of the valuation methodologies used for assets measured at fair value as of June 30, 2025:

*Mutual Funds* – Valued at the closing price reported in the active market in which the individual securities are traded.

*Marketable Alternatives* – Valued using net asset value (NAV) as determined by the investment manager of the fund. This NAV is based on the fair value of the underlying assets and liabilities of the related fund at the measurement date. This investment class seeks long-term equity-like returns with minimal correlation to the major market average. There are no unfunded commitments related to this investment class.

There have been no changes in the methodologies used at June 30, 2025.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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.

The following is a summary of the source of fair value measurements for assets that are measured at fair value as of June 30:

	2025			Instruments Measured at Net Asset Value (a)	Total
	Level 1	Level 2	Level 3		
Investments:					
Money Market Funds	\$ 1,195,466	\$ -	\$ -	\$ -	\$ 1,195,466
Mutual Funds - Equity	16,367,645	-	-	-	16,367,645
Mutual Funds - Bonds	12,313,830	-	-	-	12,313,830
Marketable Alternatives	-	-	-	2,784,211	2,784,211
Total Assets at Fair Value	<u>\$ 29,876,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,784,211</u>	<u>\$ 32,661,152</u>
	2024			Instruments Measured at Net Asset Value (a)	Total
	Level 1	Level 2	Level 3		
Investments:					
Money Market Funds	\$ 1,201,702	\$ -	\$ -	\$ -	\$ 1,201,702
Mutual Funds - Equity	18,380,061	-	-	-	18,380,061
Mutual Funds - Bonds	11,070,068	-	-	-	11,070,068
Marketable Alternatives	-	-	-	2,516,293	2,516,293
Total Assets at Fair Value	<u>\$ 30,651,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,516,293</u>	<u>\$ 33,168,124</u>

**CONNECTICUT FOODSHARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

(a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

**NOTE 3 DONATED FOOD INVENTORY**

The following is a summary of food donated and distributed for the years ended June 30:

	2025	
	Weight (in Pounds)	Estimated Wholesale Value
Donated Food Inventory - Beginning of Year	1,311,490	\$ 2,439,557
Donated Food Received	54,112,614	99,444,106
Total	55,424,104	101,883,663
Less: Food Distributed, Including Salvage and Other Adjustments	(53,894,493)	(99,040,397)
Donated Food Inventory - End of Year	1,529,611	\$ 2,843,266
	2024	
	Weight (in Pounds)	Estimated Wholesale Value
Donated Food Inventory - Beginning of Year	1,321,891	\$ 2,372,902
Donated Food Received	52,140,251	97,760,680
Total	53,462,142	100,133,582
Less: Food Distributed, Including Salvage and Other Adjustments	(52,150,652)	(97,686,006)
Donated Food Inventory - End of Year	1,311,490	\$ 2,447,576

**NOTE 4 LAND, BUILDING, AND EQUIPMENT**

A summary of property and equipment is as follows at June 30:

	2025	2024
Land	\$ 1,934,762	\$ 1,934,762
Building and Improvements	13,983,931	13,983,931
Leasehold Improvements	443,716	443,716
Furniture and Equipment	2,525,242	2,377,186
Vehicles	3,335,279	2,081,331
Total Property and Equipment	22,222,930	20,820,926
Less: Accumulated Depreciation and Amortization	(8,284,039)	(7,432,841)
Property and Equipment, Net	\$ 13,938,891	\$ 13,388,085

**CONNECTICUT FOODSHARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 4 LAND, BUILDING, AND EQUIPMENT (CONTINUED)**

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 was \$1,019,178 and \$1,078,530, respectively.

**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Purpose Restrictions:		
Donated Food	\$ 3,242,185	\$ 3,156,951
Management and General	316,157	2,000
Food Collection and Distribution	45,455	127,759
Building Solutions	32,294	463,010
Disaster Relief	16,013	21,513
Subject to Expenditure for Time Restrictions	175,000	-
Total	<u>\$ 3,827,104</u>	<u>\$ 3,771,233</u>

Net assets were released from restrictions by incurring expenses satisfying the restriction purposes or by the occurrence of other events specified by donors during the years ended June 30:

	<u>2025</u>	<u>2024</u>
Purpose Restrictions Accomplished:		
Donated Food	\$ 28,472,563	\$ 24,216,559
Government Grants	3,952,554	5,134,829
Building Solutions	701,651	222,415
Food Collection and Distribution	156,759	175,339
Management and General	78,028	5,000
Disaster Relief	5,500	-
Total	<u>\$ 33,367,055</u>	<u>\$ 29,754,142</u>

**NOTE 6 LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization's primary sources of support are derived from contributions, grants, donated materials and services, and fundraising events. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

**CONNECTICUT FOODSHARE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 6 LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

The following table reflects the Organization’s financial assets as of June 30, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available include donor restricted balances, board-designated investments intended to fund future operations and local program activities not considered in the annual operating budget. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

	2025	2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 3,093,497	\$ 2,769,287
Investments	32,661,152	33,168,124
Accounts Receivable, Including Grants	630,540	2,216,428
Contributions Receivable	297,923	133,695
Total Financial Assets Available at Year-End	36,683,112	38,287,534
Less: Contractual or Donor-Imposed Restrictions:		
Restricted by Donors with Time or Purpose Restrictions	(584,919)	(614,282)
Designated by the Governing Board	(32,661,152)	(33,168,124)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 3,437,041	\$ 4,505,128

The Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, or other obligations come due.

**NOTE 7 CONTRIBUTED NONFINANCIAL ASSETS**

For the year ended June 30, 2025, contributed nonfinancial assets recognized in the statement of activities included:

	Revenue Recognized	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated Food	\$ 71,606,963	Programs	No associated donor restrictions	Average wholesale value of products donated to the network as determined by a survey conducted by Feeding America
Donated Food	\$ 28,557,797	Programs	Program eligibility requirements	Average wholesale value of products donated to the network as determined by a survey conducted by Feeding America

**CONNECTICUT FOODSHARE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 7 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)**

For the year ended June 30, 2024, contributed nonfinancial assets recognized in the statement of activities included:

	<u>Revenue Recognized</u>	<u>Programs/ Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Donated Food	\$ 66,330,880	Programs	No associated donor restrictions	Average wholesale value of products donated to the network as determined by a survey conducted by Feeding America
Donated Food	\$ 24,470,990	Programs	Program eligibility requirements	Average wholesale value of products donated to the network as determined by a survey conducted by Feeding America

**NOTE 8 BENEFIT PLAN**

The Organization maintains a defined contribution 401(k) plan in which all employees are eligible to participate once they have met certain eligibility requirements. The Organization's contribution is a discretionary matching amount based on a percentage of any salary deferrals made by the employee. Contribution expense recognized for the years ended June 30, 2025 and 2024 was \$302,601 and \$269,291, respectively.

**NOTE 9 PARTNERSHIP PROGRAM**

The Organization provides financial assistance to partner programs to purchase the capital equipment needed to distribute food to hungry people, promote self-sufficiency, promote full utilization of existing federal food assistance programs and more broadly engage the community in efforts to solve hunger. Amounts distributed to partner programs were \$498,309 and \$1,324,941 for the years ended June 30, 2025 and 2024, respectively, and is included in the contributions to other organizations expense on the statements of functional expenses.

**CONNECTICUT FOODSHARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 10 LEASES**

The Organization leases office space, delivery trucks and copiers under long-term, noncancelable lease agreements. The leases expire at various times through January 2031. Additionally, the office space lease and truck leases generally require the Organization to pay certain property taxes and insurance costs. The following table provides quantitative information concerning the Organization's leases:

	<u>2025</u>	<u>2024</u>
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 168,092	\$ 147,634
Interest on Lease Liabilities	49,441	49,477
Operating Lease Cost	<u>163,629</u>	<u>160,073</u>
Total Lease Cost	<u>\$ 381,162</u>	<u>\$ 357,184</u>
Other Information:		
Operating Cash Flows from Finance Leases	\$ 49,441	\$ 49,477
Operating Cash Flows from Operating Leases	\$ 163,511	\$ 159,300
Financing Cash Flows from Finance Leases	\$ 148,038	\$ 124,081
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ 28,183	\$ 1,159,609
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 34,017
Weighted Average Remaining Lease Term - Finance Leases	5.3 years	6.3 years
Weighted Average Discount Rate - Finance Leases	5.00%	5.00%
Weighted Average Remaining Lease Term -		

A maturity analysis of annual undiscounted cash flows for operating and financing lease liabilities as of June 30, 2025 is as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>	<u>Finance</u>	<u>Totals</u>
2026	\$ 116,307	\$ 203,221	\$ 319,528
2027	107,829	203,221	311,050
2028	57,471	198,955	256,426
2029	7,110	194,689	201,799
2030	-	194,689	194,689
Thereafter	-	86,517	86,517
Undiscounted cash flows	<u>288,717</u>	<u>1,081,292</u>	<u>1,370,009</u>
(Less) Imputed interest	<u>(17,437)</u>	<u>(131,157)</u>	<u>(148,594)</u>
Total present value	<u>\$ 271,280</u>	<u>\$ 950,135</u>	<u>\$ 1,221,415</u>



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