CENTRAL ILLINOIS FOODBANK, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

May 31, 2024 and 2023

CONTENTS

ECK, SCHAFER & PUNKE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

To the Board of Directors
of Central Illinois Foodbank, Inc.
Springfield, Illinois

Opinion

We have audited the accompanying financial statements of Central Illinois Foodbank, Inc. (a nonprofit organization), which are comprised of the statements of financial position as of May 31, 2024 and 2023, 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 Central Illinois Foodbank, Inc. as of May 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Illinois Foodbank, 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 Central Illinois Foodbank, Inc.'s ability to continue as a going concern within one year after the date that 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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central Illinois Foodbank, 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 Central Illinois Foodbank, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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,* and the accompanying consolidated year-end financial report, as required by the Illinois Department of Human Services (DHS) are presented for purposes of additional analysis and are 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 information is fairly stated, in all material respects, in relation to the 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 September 11, 2024, on our consideration of Central Illinois Foodbank, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Central Illinois Foodbank, 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 Central Illinois Foodbank, Inc.'s internal control over financial reporting and compliance.

Eck, Schafer & Punke, LLP

Springfield, Illinois
September 11, 2024

Central Illinois Foodbank, Inc.

STATEMENTS OF FINANCIAL POSITION

May 31

	2024	2023
ASSETS		
Cash and cash equivalents	$ 6,488,644	$ 5,849,467
Certificates of deposit	1,036,021	859,846
Investments	3,487,217	2,201,382
Shared maintenance receivables, net	16,592	76,724
Grant receivable	549,022	214,695
Accrued interest	22,517	12,086
Prepaid expenses	14,729	14,661
Inventory		
Contributed food	1,837,756	585,375
Purchased food	221,302	404,916
Land, building and equipment, net	3,694,905	3,463,401
Total assets	$ 17,368,705	$ 13,682,553
LIABILITIES		
Accounts payable	$ 34,441	$ 35,635
Accrued compensation	99,209	125,505
Refundable grant advances	690,483	590,536
Total liabilities	824,133	751,676
NET ASSETS		
Without donor restrictions	15,966,221	12,405,285
With donor restrictions	578,351	525,592
Total net assets	16,544,572	12,930,877
Total liabilities and net assets	$ 17,368,705	$ 13,682,553

The accompanying notes are an integral part of these financial statements.

Central Illinois Foodbank, Inc.

STATEMENT OF ACTIVITIES

Year ended May 31, 2024

	Without Donor Restrictions			
	Foodbank	Contributed Food	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT				
Program service fees	$ 1,187,286	$ -	$ -	$ 1,187,286
Grants and contracts	1,768,926	-	78,352	1,847,278
Contributions	3,438,127	-	-	3,438,127
Contributed food received	-	15,985,188	-	15,985,188
Interest	96,913	-	-	96,913
Other	5,360	-	-	5,360
Unrealized gain on investments	378,062	-	-	378,062
Realized loss on investments	(17,229)	-	-	(17,229)
Net assets released from restrictions	25,593	-	(25,593)	-
Total revenues and other support	6,883,038	15,985,188	52,759	22,920,985
EXPENSES				
Foodbank operations	4,239,122	-	-	4,239,122
Contributed food distributed	-	14,732,807	-	14,732,807
Depreciation	335,361	-	-	335,361
Total expenses	4,574,483	14,732,807	-	19,307,290
CHANGE IN NET ASSETS	2,308,555	1,252,381	52,759	3,613,695
NET ASSETS AT BEGINNING OF YEAR	11,819,910	585,375	525,592	12,930,877
NET ASSETS AT END OF YEAR	$ 14,128,465	$ 1,837,756	$ 578,351	$ 16,544,572

The accompanying notes are an integral part of these financial statements.

Central Illinois Foodbank, Inc.

STATEMENT OF ACTIVITIES

Year ended May 31, 2023

	Without Donor Restrictions			
	Foodbank	Contributed Food	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT				
Program service fees	$ 1,484,559	$ -	$ -	$ 1,484,559
Grants and contracts	1,061,583	-	(2,610)	1,058,973
Contributions	2,452,757	-	-	2,452,757
Contributed food received	-	12,258,390	-	12,258,390
Interest	55,935	-	-	55,935
Other	6,007	-	-	6,007
Unrealized loss on investments	(69,693)	-	-	(69,693)
Realized loss on investments	(956)	-	-	(956)
Gain on sale of equipment	12,157	-	-	12,157
Net assets released from restrictions	103,539	-	(103,539)	-
Total revenues and other support	5,105,888	12,258,390	(106,149)	17,258,129
EXPENSES				
Foodbank operations	4,029,725	-	-	4,029,725
Contributed food distributed	-	12,374,830	-	12,374,830
Depreciation	324,220	-	-	324,220
Total expenses	4,353,945	12,374,830	-	16,728,775
CHANGE IN NET ASSETS	751,943	(116,440)	(106,149)	529,354
NET ASSETS AT BEGINNING OF YEAR	11,067,967	701,815	631,741	12,401,523
NET ASSETS AT END OF YEAR	$ 11,819,910	$ 585,375	$ 525,592	$ 12,930,877

The accompanying notes are an integral part of these financial statements.

Central Illinois Foodbank, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended May 31, 2024

	Program Services	Management and General	Fundraising	Total
Salaries	$ 748,179	$ 226,851	$ 182,744	$ 1,157,774
Payroll taxes	59,564	18,060	14,549	92,173
Fringe benefits	168,905	30,617	14,420	213,942
Total salaries and related expenses	976,648	275,528	211,713	1,463,889
Product costs	1,948,285	-	-	1,948,285
Contract labor	32,111	-	-	32,111
Insurance	65,524	1,952	-	67,476
Utilities	96,841	5,097	-	101,938
Membership fees	8,184	-	-	8,184
Repairs and maintenance	131,006	3,922	-	134,928
Waste management	13,564	-	-	13,564
Vehicle fuel	46,263	-	-	46,263
Vehicle lease	22,733	-	-	22,733
Legal and professional	-	21,215	-	21,215
Postage	11,076	-	83,195	94,271
Communications	12,516	659	-	13,175
Supplies	17,555	4,270	-	21,825
Printing	2,474	-	205,963	208,437
Training and meetings	8,889	-	-	8,889
Advertising	245	-	-	245
Other	24,478	7,216	-	31,694
Total expenses before contributed food distributed and depreciation	3,418,392	319,859	500,871	4,239,122
Contributed food distributed	14,732,807	-	-	14,732,807
Depreciation	335,361	-	-	335,361
Total expenses	$ 18,486,560	$ 319,859	$ 500,871	$ 19,307,290

The accompanying notes are an integral part of these financial statements.

Central Illinois Foodbank, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended May 31, 2023

	Program Services	Management and General	Fundraising	Total
Salaries	$ 659,768	$ 187,726	$ 127,763	$ 975,257
Payroll taxes	50,296	14,311	9,740	74,347
Fringe benefits	138,892	27,054	15,180	181,126
Total salaries and related expenses	848,956	229,091	152,683	1,230,730
Product costs	1,862,517	-	-	1,862,517
Contract labor	41,226	-	-	41,226
Insurance	80,876	1,767	-	82,643
Utilities	109,193	5,747	-	114,940
Membership fees	13,061	-	-	13,061
Repairs and maintenance	134,456	4,018	-	138,474
Waste management	12,996	-	-	12,996
Vehicle fuel	53,652	-	-	53,652
Vehicle lease	26,293	-	-	26,293
Legal and professional	-	35,929	-	35,929
Postage	9,383	-	78,041	87,424
Communications	16,174	851	-	17,025
Supplies	73,606	3,773	-	77,379
Printing	1,749	-	185,260	187,009
Training and meetings	14,596	-	-	14,596
Advertising	2,451	-	-	2,451
Other	25,112	6,268	-	31,380
Total expenses before contributed food distributed and depreciation	3,326,297	287,444	415,984	4,029,725
Contributed food distributed	12,374,830	-	-	12,374,830
Depreciation	324,220	-	-	324,220
Total expenses	$ 16,025,347	$ 287,444	$ 415,984	$ 16,728,775

The accompanying notes are an integral part of these financial statements.

Central Illinois Foodbank, Inc.

STATEMENTS OF CASH FLOWS

Years ended May 31

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,613,695	$ 529,354
Adjustments to reconcile the change in net assets to net cash flows from operating activities		
Change in contributed food inventory	(1,252,381)	116,440
Depreciation	335,361	324,220
Gain on disposal of equipment	-	(12,157)
Unrealized (gain) loss on investments	(378,062)	69,693
Realized loss on investments	17,229	956
Donation of investments	(44,025)	(129,037)
Changes in certain assets and liabilities		
Shared maintenance receivables	60,132	(45,914)
Grant receivable	(334,327)	5,900
Accrued interest	(10,431)	(10,043)
Prepaid expenses	(68)	5,957
Inventory - purchased food	183,614	(193,989)
Accounts payable	(1,194)	(56,036)
Accrued compensation	(26,296)	24,860
Funds held for others	-	(18,279)
Refundable grant advances	99,947	590,536
Net cash flows from operating activities	2,263,194	1,202,461
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of certificates of deposit	-	90,142
Purchase of certificates of deposit	(176,175)	(411,991)
Purchase of land, building and equipment	(566,865)	(247,819)
Proceeds from disposal of land, building and equipment	-	22,484
Proceeds from sale of investments	186,403	152,120
Purchase of investments	(1,067,380)	(593,916)
Net cash flows from investing activities	(1,624,017)	(988,980)
NET CHANGE IN CASH AND CASH EQUIVALENTS	639,177	213,481
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,849,467	5,635,986
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 6,488,644	$ 5,849,467

The accompanying notes are an integral part of these financial statements.

NOTE A - ORGANIZATION

Central Illinois Foodbank, Inc. (the Foodbank) is a not-for-profit corporation organized under the laws of the State of Illinois. The Foodbank's mission is to provide food, and develop awareness of and creative solutions for food insecurity. Annually, the Foodbank distributes food to 150 food pantries, soup kitchens, children's organizations and programs and residential facilities in its twenty-one county region. In addition to providing food to feeding assistance partners, the Foodbank also provides food through the Kids Café, Summer Food and Healthy Foods Distribution Programs.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

2. 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 and disclosures. Accordingly, actual results could differ from those estimates.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with an original maturity of three months or less.

4. Shared Maintenance Receivables

Shared maintenance receivables are stated at estimated net realizable value and include an allowance for credit losses of $ -0- and $ 5,000 for the years ended May 31, 2024 and 2023, respectively. Shared maintenance receivables are written-off when they are determined to be uncollectible.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Investment Valuation and Income Recognition

Investments in securities with readily-determinable fair values are reported at fair market value. Unrealized gains or losses are recognized reflecting the differences between cost or amortized cost and market value of the investments. Amortized cost includes adjustments for accretion of discounts and amortization of premiums of debt securities over the remaining periods until maturity of the securities. Realized gains or losses are recognized reflecting the difference between the proceeds from sale of the investments and the cost or amortized cost of the investments, using the specific identification method.

6. Contributions and Grants

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Conditional grants and promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

7. Inventory

Food donated to the Foodbank is capitalized as inventory and accounted for as contributions without donor restriction. Contributed U.S. Department of Agriculture (USDA) donated food is valued at the most recently published cost-per-pound price in the USDA donated foods catalog. Contributed food from non-USDA sources is valued at a weighted average wholesale price per pound of $ 1.97 and $ 1.93 for the years ended May 31, 2024 and 2023, respectively, as determined by the most recent information available from Feeding America. Purchased food is valued at invoice cost determined by the first-in, first-out method.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Land, Building and Equipment

Land, building and equipment are carried at cost, except for gifts or donations which are reported as contributions and stated at estimated fair value at date of receipt. Depreciation of building and equipment is computed using the straight-line method over the estimated useful lives of the respective assets which range from three to thirty-nine years. The cost of routine maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. The Foodbank's capitalization threshold is $ 3,500 for vehicles, office furniture and equipment and $ 5,000 for building and improvements.

9. Leases

For leases with a term greater than twelve months, the Foodbank records the related right-of-use asset and lease liability at the present value of future lease payments over the term of the lease. Lease payments are discounted using either the rate implicit in the lease (if readily determinable) or the risk-free rate. Non-component items such as real estate taxes and other pass-through charges are not included in measurement of the right-of-use asset and lease liability. Right-of-use assets include all contractual lease payments and initial direct costs less any lease incentives received from the lessor. Operating lease expense is recognized on straight-line basis over the lease term.

10. In-Kind Contributions

Contributed goods and services are reported as contributions if such goods or services create or enhance non-financial assets or if they would have been purchased if not provided by contribution, require specialized skills, and are provided by individual processing such specialized skills. Contributed goods and services are recognized at their estimated fair value at the date of receipt.

The Foodbank recognizes contributed food expenses when distributed. The Foodbank received $ 15,985,188 and $ 12,258,390 of contributed food during the years ended May 31, 2024 and 2023, respectively. Management values contributed food received based upon the weighted average wholesale price per pound, as determined by the most recent information available from Feeding America.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Tax Status

The Foodbank is organized under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income under Section 501(a) of the Code.

The Foodbank follows accounting principles generally accepted in the United States of America which sets a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. Tax positions for the open tax years as of May 31, 2024 were reviewed, and it was determined that no provision for uncertain tax positions is required.

12. Revenue Recognition

Program Service Fees

Revenues from program service fees, primarily shared maintenance fees for storage and handling costs and purchased product costs, are recognized when charged to agencies and other foodbanks after they receive distributions of food items.

Contributed Food Received

Revenues from contributed USDA food received, as well as the related contributed food distributed expense, are computed by valuing such items at the most recently published cost-per-pound price in the USDA donated foods catalog. Revenues from contributed food received from non-USDA sources, as well as the related contributed food distributed expense, are computed by valuing such items at a weighted average wholesale price per pound of $ 1.97 and $ 1.93 for the years ended May 31, 2024 and 2023, respectively, as determined by the most recent information available from Feeding America.

Special Events

The Foodbank recognizes revenue when the related event is held and performance obligations are met.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

13. Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

14. Functional Allocation of Expenses

The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

15. Subsequent Events

The Foodbank assessed events that have occurred subsequent to May 31, 2024 through September 11, 2024, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Foodbank's financial assets as of May 31 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions.

	2024	2023
Financial assets at year-end		
Cash and cash equivalents	$ 6,488,644	$ 5,849,467
Certificates of deposit	1,036,021	859,846
Investments	3,487,217	2,201,382
Shared maintenance receivables, net	16,592	76,724
Grant receivable	549,022	214,695
Accrued interest	22,517	12,086
Total financial assets	11,600,013	9,214,200
Donor restricted funds	(578,351)	(525,592)
Financial assets available to meet cash needs for general expenditures within one year	$ 11,021,662	$ 8,688,608

The Foodbank regularly monitors liquidity required to meet its operating needs and other contractual commitments. As part of its liquidity management, the Foodbank invests excess cash in certificates of deposit and investments.

NOTE D - CONCENTRATION OF CREDIT RISK

The Foodbank maintains its cash balances and certificates of deposit at various financial institutions in Springfield, Illinois. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $ 250,000. At various times during the year, bank balances may exceed the amount insured and collateralized. The Foodbank did not experience any losses on excess amounts, and believes it is not subject to any significant risk on cash and cash equivalents and certificates of deposit.

NOTE E - INVESTMENTS

A summary of investments at May 31 follows:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Money market	$ 37,270	$ 37,270	$ 416,987	$ 416,987
Equity mutual funds	2,131,985	2,418,223	1,344,850	1,265,664
Fixed income mutual funds	926,808	859,281	485,226	426,215
Equity securities	162,507	172,443	103,734	92,516
	$ 3,258,570	$ 3,487,217	$ 2,350,797	$ 2,201,382

NOTE F - FAIR VALUES OF FINANCIAL INSTRUMENTS

Accounting principles generally accepted in the United States of America defines fair value as 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. The fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk.

The Foodbank assessed the inputs used to measure fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs include quoted prices for identical instruments and are the most observable. Level 2 inputs include quoted prices for similar assets and observable inputs such as interest rates, currency exchange rates, commodity rates, and yield curves. Level 3 inputs are not observable in the market and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

NOTE F - FAIR VALUES OF FINANCIAL INSTRUMENTS - Continued

The Foodbank's fair value, by input level, was as follows at May 31:

	Fair Value	Level 1	Level 2	Level 3
2024				
Money market	$ 37,270	$ 37,270	$ -	$ -
Equity mutual funds	2,418,223	2,418,223	-	-
Fixed income mutual funds	859,281	859,281	-	-
Equity securities	172,443	172,443	-	-
	$ 3,487,217	$ 3,487,217	$ -	$ -
2023				
Money market	$ 416,987	$ 416,987	$ -	$ -
Equity mutual funds	1,265,664	1,265,664	-	-
Fixed income mutual funds	426,215	426,215	-	-
Equity securities	92,516	92,516	-	-
	$ 2,201,382	$ 2,201,382	$ -	$ -

NOTE G - INVENTORY

Activities in contributed food inventory during the years ended May 31 were as follows:

	2024		2023	
	Pounds	Dollar Value	Pounds	Dollar Value
Beginning inventory	269,585	$ 585,375	403,929	$ 701,815
Contributed food received	9,335,720	15,985,188	6,906,620	12,258,390
Contributed food distributed	(8,287,604)	(14,732,807)	(7,040,964)	(12,374,830)
Ending inventory	1,317,701	$ 1,837,756	269,585	$ 585,375

The Foodbank purchases food to supplement the contributed food. The Foodbank had $ 221,302 and $ 404,916 of purchased food inventory at May 31, 2024 and 2023, respectively.

NOTE H - LAND, BUILDING AND EQUIPMENT

Land, building and equipment consists of the following at May 31:

	2024	2023
Land	$ 115,000	$ 115,000
Building and improvements	3,933,773	3,614,343
Office furniture and equipment	423,654	386,983
Equipment	627,405	627,405
Vehicles	805,960	595,196
Total	5,905,792	5,338,927
Less accumulated depreciation	(2,210,887)	(1,875,526)
Land, building and equipment, net	$ 3,694,905	$ 3,463,401

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following as of May 31:

	2024	2023
Subject to expenditure for specific purpose:		
Nutritional food programs	$ 78,351	$ 25,592
Not subject to spending policy or appropriation:		
Assets held in perpetuity	500,000	500,000
Total net assets with donor restrictions	$ 578,351	$ 525,592

Net assets of $ 25,593 and $ 103,539 were released during the years ended May 31, 2024 and 2023, respectively, to provide nutritious food to children through programs provided by the Foodbank.

NOTE J - PENSION PLAN

The Foodbank has established a contributory pension plan under Section 403(b) of the Internal Revenue Service which allows employees to defer a percentage of their wages immediately. The Foodbank contributes 3.50% of the employee's wages once the employee completes one year of service. Contributions totaled $ 33,253 and $ 25,493 for the years ended May 31, 2024 and 2023, respectively.

NOTE K - DEPENDENCE ON FUNDING SOURCES

Grant revenues from the State of Illinois Department of Human Services for administering the Emergency Assistance Food Program of the United States Department of Agriculture, Food Nutrition Services, is contingent upon the Foodbank's annual execution of a grant contract with the State of Illinois Department of Human Services; the Foodbank's compliance with the grant's provisions; and the availability of appropriated funds at both the federal and state levels. The Foodbank's participation in this program for the year ending May 31, 2024, has been approved by the State of Illinois Department of Human Services.

NOTE L - LEASE COMMITMENTS

During the year ended May 31, 2018, the Foodbank entered into a lease agreement for a vehicle. In addition to a fixed monthly payment, the Foodbank will also pay variable charges based on mileage and refrigeration hours. The lease expired on September 1, 2023. Lease expense was $ 22,733 and $ 26,293 for the years ended May 31, 2024 and 2023, respectively.

SUPPLEMENTARY INFORMATION

Grantee Name	Central Illinois Foodbank, Inc.
ID Numbers	**Audit:**51517 **Grantee:**671716 **UEI:**R66RCKQZ8B76 **FEIN:**371106465
Audit Period	6/1/2023 - 5/31/2024
Last Update	8/27/2024 12:19:00 PM
Program Count	7

EXPENDITURES BY PROGRAM

CSFA #	Program Name	State	Federal	Total	Match
586-18-0409	Child and Adult Care Food Program	0.00	80,087.00	80,087.00	0.00
444-80-2224	Hungry Relief Fund Check Off (TEFAP)	16,676.00	0.00	16,676.00	0.00
444-80-3189	Illinois – Equitable Access Towards Sustainable Systems (EATS) funded by LFPA	0.00	279,489.00	279,489.00	0.00
444-80-0166	The Emergency Food Assistance Program (TEFAP Administrative Costs)	0.00	533,693.00	533,693.00	0.00
444-80-0167	The Emergency Food Assistance Program (TEFAP Food Commodities)	0.00	5,302,834.00	5,302,834.00	0.00
444-80-3298	The Emergency Food Assistance Program (TEFAP) CCC	0.00	131,575.00	131,575.00	0.00
444-80-3318	The Emergency Food Assistance Program (TEFAP) Reach and Resiliency	0.00	184,510.00	184,510.00	0.00
	All other federal expenditures		0.00	0.00	
	TOTALS	16,676.00	6,512,188.00	6,528,864.00	0.00

EXPENDITURES BY CATEGORY

Amount	Category
329,885.00	Personal Services (Salaries and Wages)
481,990.00	Equipment
5,636,902.00	Miscellaneous Costs
80,087.00	Food costs and supplies
6,528,864.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-0409
Program Name	Child and Adult Care Food Program
Popular Name	Child and Adult Care Food Program (CACFP); FRIS 4226(00); Child & Adult Care Food Program
Program Contact	**Name:**Shaista Shaikh **Phone:**217-782-2491 **Email:**sshaikh@isbe.net
State Amount Expended	0.00
Federal Amount Expended	80087.00

Expenditures by Category

80,087.00	Food costs and supplies
80,087.00	TOTAL

State Agency	Department Of Human Services
CSFA Number	444-80-2224
Program Name	Hungry Relief Fund Check Off (TEFAP)
Popular Name	Hunger Relief Fund
Program Contact	**Name:**Bindi Desai Lessing **Phone:**(217) 299-2900 **Email:**bindi.lessing@illinois.gov
State Amount Expended	16676.00
Federal Amount Expended	0.00

Expenditures by Category

16,676.00	Miscellaneous Costs
16,676.00	TOTAL

State Agency	Department Of Human Services
CSFA Number	444-80-3189
Program Name	Illinois – Equitable Access Towards Sustainable Systems (EATS) funded by LFPA
Popular Name	Illinois - EATS
Program Contact	**Name:**Melanie Kluzek **Phone:**(217) 720-9111 **Email:**Melanie.M.Kluzek@illinois.gov
State Amount Expended	0.00
Federal Amount Expended	279489.00

Expenditures by Category

279,489.00	Miscellaneous Costs
279,489.00	TOTAL

State Agency	Department Of Human Services
CSFA Number	444-80-0166
Program Name	The Emergency Food Assistance Program (TEFAP Administrative Costs)
Popular Name	The Emergency Assistance Food Program (TEFAP)
Program Contact	**Name:**Bindi Desai Lessing **Phone:**2172992900 **Email:**bindi.lessing@illinois.gov
State Amount Expended	0.00
Federal Amount Expended	533693.00

Expenditures by Category

198,310.00	Personal Services (Salaries and Wages)
297,480.00	Equipment
37,903.00	Miscellaneous Costs
533,693.00	TOTAL

State Agency	Department Of Human Services
CSFA Number	444-80-0167
Program Name	The Emergency Food Assistance Program (TEFAP Food Commodities)
Popular Name	The Emergency Assistance Food Program (TEFAP)
Program Contact	**Name:**Tallett Vanek **Phone:**217-622-2683 **Email:**tallett.vanek@illinois.gov
State Amount Expended	0.00
Federal Amount Expended	5302834.00

Expenditures by Category

5,302,834.00	Miscellaneous Costs
5,302,834.00	TOTAL

State Agency	Department Of Human Services
CSFA Number	444-80-3298
Program Name	The Emergency Food Assistance Program (TEFAP) CCC
Popular Name	The Emergency Food Assistance Program (TEFAP)-Commodity Corporation Credit (CCC)
Program Contact	**Name:**Bindi Desai Lessing **Phone:**2172992900 **Email:**bindi.lessing@illinois.gov
State Amount Expended	0.00
Federal Amount Expended	131575.00

Expenditures by Category

131,575.00	Personal Services (Salaries and Wages)
131,575.00	TOTAL

State Agency	Department Of Human Services
CSFA Number	444-80-3318
Program Name	The Emergency Food Assistance Program (TEFAP) Reach and Resiliency
Popular Name	Reach and Resiliency Round 1 and Round 2
Program Contact	**Name:**Tallett Vanek **Phone:**217-622-2683 **Email:**tallett.vanek@illinois.gov
State Amount Expended	0.00
Federal Amount Expended	184510.00

Expenditures by Category

184,510.00	Equipment
184,510.00	TOTAL

REPORTS ON FEDERAL AWARDS AND COMPLIANCE

ECK, SCHAFER & PUNKE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' 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
Central Illinois Foodbank, Inc.
Springfield, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Central Illinois Foodbank, Inc., a nonprofit organization, which are comprised of the statement of financial position as of May 31, 2024, 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 11, 2024.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Central Illinois Foodbank, Inc.'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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Ek, Schafer & Punke, LLP

Springfield, Illinois
September 11, 2024

ECK, SCHAFER & PUNKE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
of Central Illinois Foodbank, Inc.
Springfield, Illinois

Opinion on Each Major Federal Program

We have audited Central Illinois Foodbank, Inc.'s 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 of Central Illinois Foodbank, Inc.'s major federal programs for the year ended May 31, 2024. Central Illinois Foodbank, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Central Illinois Foodbank, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2024.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Central Illinois Foodbank, Inc. 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 Central Illinois Foodbank, Inc.'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 Central Illinois Foodbank, Inc.'s federal programs.

Auditors' 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 Central Illinois Foodbank, Inc.'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 generally accepted auditing standards, *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 Central Illinois Foodbank, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Central Illinois Foodbank, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.

- Obtain an understanding of Central Illinois Foodbank, Inc.'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 Central Illinois Foodbank, Inc.'s internal control. 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 Auditors' 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.

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.

Eck, Schafer & Punke, LLP

Springfield, Illinois
September 11, 2024

Central Illinois Foodbank, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended May 31, 2024

Federal Grantor/Pass-through Grantor and Program Title	Assistance Listing	Pass-through Entity Identification Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed through the Illinois Department of Human Services				
The Emergency Food Assistance Program Cluster				
The Emergency Food Assistance Program (Administrative Costs)	10.568	FCSCH06978	$ -	$ 680,300
The Emergency Food Assistance Program (Food Commodities)	10.569	FCSCH06978	5,302,834	5,302,834
			5,302,834	5,983,134
COVID-19: Pandemic Relief Activities - Local Food Purchase Agreements with States, Tribes and Local Governments	10.182	FCSCQ07642	-	279,489
The Emergency Food Assistance Program Commodity Credit Corporation Eligible Recipient Funds	10.187	FCSCH07557	-	131,575
Passed through the Illinois State Board of Education				
Child and Adult Care Food Program	10.558	51084098P00	-	80,087
U.S. Department of Health and Human Services				
Passed through the Illinois Department of Human Services				
Temporary Assistance for Needy Families	93.558	FCSCH06978	37,903	37,903
Total			$ 5,340,737	$ 6,512,188

See accompanying notes to schedule of expenditures of federal awards.

Central Illinois Foodbank, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended May 31, 2024

NOTE 1 - BASIS OF PRESENTATION AND MAJOR PROGRAM OBJECTIVES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Central Illinois Foodbank, Inc. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

The Emergency Food Assistance Program (major program) objective is to help supplement the diets of low-income persons by making food commodities available to states for distribution through local organizations that provide food assistance to needy persons. Food commodities distributed are valued at the most recently published cost-per-pound price in the USDA donated foods catalog.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Central Illinois Foodbank, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - ADDITIONAL INFORMATION

A. <u>Non-Cash Assistance</u>

Central Illinois Foodbank, Inc. expended $ 5,302,834 in food commodities during the year ended May 31, 2024. All food commodities were passed through to subrecipients.

B. <u>Other Federal Assistance</u>

Central Illinois Foodbank, Inc. did not receive any federal insurance, federal loans or loan guarantees during the year ended May 31, 2024.

Central Illinois Foodbank, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended May 31, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	______	Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	______	Yes	X	None Reported
Noncompliance material to financial statements noted?	______	Yes	X	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	______	Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	______	Yes	X	None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______	Yes	X	No

Identification of major programs:

Assistance Listing(s)	Name of Federal Program or Cluster
10.568, 10.569	The Emergency Food Assistance Program Cluster

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as low-risk auditee?	X	Yes	______	No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Central Illinois Foodbank, Inc.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the year ended May 31, 2024

There were no prior audit findings required to be reported relative to Federal awards.