

**FEEDING PENNSYLVANIA**

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
AND INFORMATION ON FEDERAL AWARDS

YEARS ENDED JUNE 30, 2025 AND 2024  
AND  
INDEPENDENT AUDITOR'S REPORT

# FEEDING PENNSYLVANIA

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Feeding Pennsylvania

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Feeding Pennsylvania (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Feeding Pennsylvania as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

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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 Feeding Pennsylvania's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Feeding Pennsylvania'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 Feeding Pennsylvania's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) is presented for purposes of additional analysis and is not a required

part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026, on our consideration of Feeding Pennsylvania’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 Feeding Pennsylvania’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 Feeding Pennsylvania’s internal control over financial reporting and compliance.

*McKonly & Asbury, LLP*

Camp Hill, Pennsylvania  
February 27, 2026

## FEEDING PENNSYLVANIA

### STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

#### ASSETS

	2025	2024
Current assets		
Cash and cash equivalents	\$ 1,824,297	\$ 6,147,003
Investments	6,578,445	12,346,121
Receivables		
Government grants receivable	-	533,232
Nutrition education program grants receivable	255,182	263,207
MARC receivables (net of allowance for credit losses of \$75,000)	2,046,421	1,650,426
Other receivables	18,479	116,667
Inventory - MARC	202,967	377,762
Prepaid expenses	32,590	70,997
Total current assets	10,958,381	21,505,415
Non-current assets		
Property and equipment, net	4,072	2,234
Operating lease right-of-use asset, net	273,535	330,489
Intangible assets, net	124,182	47,175
Total non-current assets	401,789	379,898
Total assets	\$ 11,360,170	\$ 21,885,313

#### LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable		
MARC payables	\$ 786,651	\$ 1,059,159
Other payables	24,744	10,385
Accrued liabilities		
Payroll and payroll taxes	126,262	120,328
Other expenses	1,118,050	1,443,796
Grants payable	1,389,832	2,522,322
Deferred revenue - MARC	-	172,494
Operating lease obligation	55,199	53,592
Refundable advances	394,839	9,804,246
Total current liabilities	3,895,577	15,186,322
Other liabilities		
Operating lease obligation, net of current portion	240,772	295,971
MARC member deposits	31,000	29,000
Total other liabilities	271,772	324,971
Total liabilities	4,167,349	15,511,293
Net assets		
Without donor restrictions	6,933,778	5,542,763
With donor restrictions	259,043	831,257
Total net assets	7,192,821	6,374,020
Total liabilities and net assets	\$ 11,360,170	\$ 21,885,313

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

## FEEDING PENNSYLVANIA

### STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Product sales - MARC	\$ 17,169,203	\$ -	\$ 17,169,203	\$ 18,430,548	\$ -	\$ 18,430,548
Product contributions	7,796,842	-	7,796,842	6,778,318	-	6,778,318
Freight, logistics, and shared maintenance	3,960,035	-	3,960,035	3,930,420	-	3,930,420
Nutrition programs grant revenue	842,650	-	842,650	728,086	-	728,086
Agricultural partnerships grant revenue	21,468,624	-	21,468,624	18,952,232	-	18,952,232
ARPA program	6,147,210	-	6,147,210	3,546,715	-	3,546,715
Private grants	544,528	205,500	750,028	936,075	136,000	1,072,075
Private charitable giving	175,405	190,383	365,788	207,625	240,815	448,440
Membership dues	125,000	-	125,000	125,000	-	125,000
Miscellaneous revenue	-	-	-	19	-	19
Net investment income	645,162	-	645,162	164,471	-	164,471
Net assets released from restrictions	968,097	(968,097)	-	1,637,131	(1,637,131)	-
<b>Total support and revenue</b>	<b>59,842,756</b>	<b>(572,214)</b>	<b>59,270,542</b>	<b>55,436,640</b>	<b>(1,260,316)</b>	<b>54,176,324</b>
Program services	58,330,885	-	58,330,885	54,410,498	-	54,410,498
Management and general	72,513	-	72,513	185,000	-	185,000
Fundraising	48,343	-	48,343	127,420	-	127,420
<b>Total expenses</b>	<b>58,451,741</b>	<b>-</b>	<b>58,451,741</b>	<b>54,722,918</b>	<b>-</b>	<b>54,722,918</b>
Changes in net assets	1,391,015	(572,214)	818,801	713,722	(1,260,316)	(546,594)
Net assets, beginning	5,542,763	831,257	6,374,020	4,829,041	2,091,573	6,920,614
Net assets, ending	<u>\$ 6,933,778</u>	<u>\$ 259,043</u>	<u>\$ 7,192,821</u>	<u>\$ 5,542,763</u>	<u>\$ 831,257</u>	<u>\$ 6,374,020</u>

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

## FEEDING PENNSYLVANIA

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	Program Services									
		Fill A	Nutrition		Agricultural			Management		
	MARC	Glass With Hope	Education Programs	Partnerships	Advocacy	Total	and General	Fundraising	Total	
<b>Expenses</b>										
Salaries and employee benefits	\$ 812,834	\$ 10,163	\$ 100,718	\$ 422,205	\$ 259,399	\$ 1,605,319	\$ 7,040	\$ 4,693	\$ 1,617,052	
Payroll taxes	60,257	755	7,358	26,521	17,681	112,572	1,704	1,136	115,412	
Product costs	15,761,243	-	-	-	-	15,761,243	-	-	15,761,243	
Donated product distributions	7,924,480	-	-	-	-	7,924,480	-	-	7,924,480	
Freight, logistics, and shared maintenance costs	4,571,793	-	-	-	-	4,571,793	-	-	4,571,793	
Professional development	2,420	-	-	-	750	3,170	1,763	1,176	6,109	
Occupancy	15,293	1,322	11,458	20,858	11,371	60,302	8,041	5,361	73,704	
Insurance	9,893	219	1,933	3,443	2,425	17,913	875	584	19,372	
Advertising	8,782	750	-	7,444	10,603	27,579	6,560	4,373	38,512	
Meals and entertainment	4,136	-	205	817	468	5,626	1,997	1,331	8,954	
Meetings	735	-	-	2,785	556	4,076	1,685	1,124	6,885	
Travel	13,428	-	332	3,999	5,420	23,179	5,029	3,352	31,560	
Professional fees	58,411	-	-	18,333	55,000	131,744	5,701	3,800	141,245	
Audit and accounting	56,963	39	11,737	15,924	3,730	88,393	505	338	89,236	
Legal fees	1,667	-	-	-	-	1,667	628	418	2,713	
Miscellaneous	23,016	117	4,738	6,428	1,806	36,105	1,348	898	38,351	
Amortization	7,623	-	-	-	-	7,623	4,815	3,210	15,648	
Depreciation	595	5	59	196	120	975	13	9	997	
Office expense	47,247	190	4,191	8,453	34,753	94,834	23,374	15,583	133,791	
Subcontractor expenses and other grant assistance	-	-	660,359	-	-	660,359	-	-	660,359	
Dues and subscriptions	1,520	-	-	599	101	2,220	1,435	957	4,612	
Grants	34,843	124,492	45,236	19,866,359	7,118,783	27,189,713	-	-	27,189,713	
<b>Total expenses</b>	<b>\$ 29,417,179</b>	<b>\$ 138,052</b>	<b>\$ 848,324</b>	<b>\$ 20,404,364</b>	<b>\$ 7,522,966</b>	<b>\$ 58,330,885</b>	<b>\$ 72,513</b>	<b>\$ 48,343</b>	<b>\$ 58,451,741</b>	

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

## FEEDING PENNSYLVANIA

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services					Total	Management and General	Fundraising	Total
	MARC	Fill A Glass With Hope	Nutrition Education Programs	Agricultural Partnerships	Advocacy				
Expenses									
Salaries and employee benefits	\$ 665,996	\$ -	\$ 95,794	\$ 294,711	\$ 176,464	\$ 1,232,965	\$ 93,419	\$ 62,280	\$ 1,388,664
Payroll taxes	43,744	-	5,848	20,426	10,928	80,946	6,908	4,606	92,460
Product costs	17,402,294	-	-	-	-	17,402,294	-	-	17,402,294
Donated product distributions	6,586,214	-	-	-	-	6,586,214	-	-	6,586,214
Freight, logistics, and shared maintenance costs	5,728,950	-	-	-	-	5,728,950	-	-	5,728,950
Professional development	2,833	-	238	665	-	3,736	3,326	2,218	9,280
Occupancy	29,535	814	6,662	23,318	11,030	71,359	1,269	846	73,474
Insurance	5,283	-	169	329	164	5,945	-	-	5,945
Advertising	1,626	2,492	431	6,256	31	10,836	-	4,085	14,921
Meals and entertainment	5,527	-	13	445	211	6,196	2,960	1,974	11,130
Meetings	2,664	-	-	200	-	2,864	133	88	3,085
Travel	25,424	180	1,420	5,709	3,255	35,988	6,833	4,555	47,376
Professional fees	215,725	-	6,877	85,517	73,326	381,445	40,447	26,965	448,857
Miscellaneous	85,949	27	-	-	81	86,057	10,840	7,226	104,123
Amortization	11,903	-	-	-	-	11,903	740	494	13,137
Depreciation	-	-	-	-	-	-	330	220	550
Office expense	32,892	53	1,397	913	3,980	39,235	15,547	10,365	65,147
Subcontractor expenses	-	-	517,441	-	-	517,441	-	-	517,441
Dues and subscriptions	675	-	-	1,459	550	2,684	2,248	1,498	6,430
Grants	38,804	180,671	86,806	17,845,244	4,051,915	22,203,440	-	-	22,203,440
<b>Total expenses</b>	<b>\$ 30,886,038</b>	<b>\$ 184,237</b>	<b>\$ 723,096</b>	<b>\$ 18,285,192</b>	<b>\$ 4,331,935</b>	<b>\$ 54,410,498</b>	<b>\$ 185,000</b>	<b>\$ 127,420</b>	<b>\$ 54,722,918</b>

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

## FEEDING PENNSYLVANIA

### STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Changes in net assets	\$ 818,801	\$ (546,594)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	16,645	13,687
Allowance for credit losses	-	75,000
Amortization of right-of-use asset	56,954	56,955
Net realized and unrealized gain on investments	(432,324)	(735,511)
(Increase) decrease in		
Government grants receivable	533,232	(396,261)
Nutrition education program grants receivable	8,025	(24,068)
MARC receivables	(395,995)	793,357
Other receivables	98,188	240,280
Inventory - MARC	174,795	(173,763)
Prepaid expenses	38,407	(60,312)
Increase (decrease) in		
MARC payables	(272,508)	(2,338,732)
Other payables	14,359	684
Accrued payroll and payroll taxes	5,934	58,073
Accrued other expenses	(325,746)	809,554
Grants payable	(1,132,490)	2,318,985
Deferred revenue - MARC	(172,494)	172,494
Refundable advances	(9,409,407)	(2,069,816)
Operating lease obligation	(53,592)	(52,030)
MARC member deposits	2,000	-
	(10,427,216)	(1,858,018)
Net cash used in operating activities		
Cash flows from investing activities		
Net sales of investments	6,200,000	2,900,000
Purchase of property and equipment	(2,835)	(1,342)
Purchase of intangible assets	(92,655)	(44,200)
	6,104,510	2,854,458
Net cash provided by investing activities		
Net increase (decrease) in cash	(4,322,706)	996,440
Cash - beginning	6,147,003	5,150,563
Cash - ending	\$ 1,824,297	\$ 6,147,003

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

# FEEDING PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

### 1. NATURE OF OPERATIONS

Feeding Pennsylvania is a Pennsylvania nonprofit corporation that advocates for hunger relief and raises awareness of the hunger needs of the community through a coalition of nine Feeding America affiliated member food banks located throughout the state of Pennsylvania. Feeding Pennsylvania promotes and aids its members in securing food and other resources to reduce hunger and food insecurity in their communities and across Pennsylvania and provides a shared voice on the issues of hunger and food access within the Commonwealth of Pennsylvania.

Feeding Pennsylvania accomplishes its mission by providing the following program services:

*Mid-Atlantic Regional Cooperative (MARC)* – Member led produce cooperative to source, mix, and distribute a variety of high quality, low cost produce to member food banks serving families in need. The MARC, with an office located at the Philadelphia Wholesale Produce Market, began operations in 2018, and now serves thirty-one participating food banks from Maine to Virginia.

*Fill A Glass With Hope* – A partnership formed among Feeding Pennsylvania, the Pennsylvania Dairymen’s Association, American Dairy Association North East, the Pennsylvania Dairy Promotion Program, agriculture partners, and business leaders that provides fresh milk to Pennsylvania families in need through Feeding Pennsylvania’s network of food banks.

*Nutrition Education Programs* – Feeding Pennsylvania works with member food banks to increase healthy food and beverage options available in food pantries through its Healthy Pantry Initiative. In addition, nutrition educators will work at the pantries to encourage consumption of those foods through environmental changes, as well as direct nutrition education, such as healthy food tastings, demonstrations, recipes, classes, etc. Feeding Pennsylvania entered into a contract with the Pennsylvania State University to provide Supplemental Nutrition Assistance Program Education (SNAP-Ed) throughout the state under this initiative.

*Agricultural Partnerships* – Feeding Pennsylvania is the sole administrator for the Pennsylvania Agricultural Surplus System (PASS) Program on behalf of the Pennsylvania Department of Agriculture (PDA). Under PASS, funds are awarded from PDA to acquire and distribute local food products to charitable food organizations in existence within the State of Pennsylvania. During 2025 and 2024, Feeding Pennsylvania received \$5,500,000 and \$7,500,000 in funding for the PASS program. Feeding Pennsylvania was also awarded a grant from the Pennsylvania Department of Agriculture in an amount not to exceed \$15,180,932 to administer the Local Food Purchase Assistance Cooperative Program (LFPA) which aims to procure top-graded, high-quality product for distribution from local producers, including socially disadvantaged farmers/producers and very small farmers whose production capacity can be matched with local agencies. In 2024, Feeding Pennsylvania received an additional award of \$14,724,610.

# FEEDING PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

*Advocacy* – Providing a strong collective voice for hunger relief across the Commonwealth of Pennsylvania by advocating for federal and state policies, programs, and initiatives to improve food access and relieve hunger in Pennsylvania and across the nation.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenue is recognized when earned and expenses are recognized when incurred.

### ***Financial Statement Presentation***

Feeding Pennsylvania's financial statement presentation includes the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*. FASB ASC 958 requires Feeding Pennsylvania to report information regarding its financial position and activities according to two classes of net assets that are based on the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets without Donor Restrictions* – Net assets are available for use in general operations and not subject to donor-imposed restrictions. The Board of Directors may, at its discretion, designate funds for specific purposes. No amounts were designated by the Board of Directors during 2025 and 2024.

*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, such as those that 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. See Note 5.

### ***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 the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

#### ***Cash and Cash Equivalents***

Feeding Pennsylvania considers all short-term investments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2024.

Included in Feeding Pennsylvania's cash balance at June 30, 2025 and 2024, are funds totaling \$31,000 and \$29,000, respectively, restricted for MARC member deposits.

#### ***Investments***

Feeding Pennsylvania carries investments in U.S. Treasury bills at their fair market value with gains and losses included in the statements of activities.

Feeding Pennsylvania's investments are managed by investment advisors. The fair values reported in the statements of financial position are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the statements of financial position could change materially in the near term.

#### ***Government Grants Receivable***

Government grants receivable represents amounts owed to Feeding Pennsylvania for services provided under various government grants and contracts.

#### ***Nutrition Education Program Grant Receivables***

Nutrition education program grants receivable represents amounts owed to Feeding Pennsylvania from the Pennsylvania Department of Health for services performed under the Healthy Pantry Initiative and SNAP-Ed grants.

#### ***MARC Receivables***

MARC receivables represent amounts due from member food banks for produce orders and are contract assets arising from exchange transactions. Amounts are reported at outstanding less an allowance for credit losses. The allowance estimate is derived from a review of Feeding Pennsylvania's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions and any other factors deemed relevant by Feeding Pennsylvania.

As of July 1, 2023, the balance of MARC receivables was \$2,518,783.

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

#### ***Inventory - MARC***

Inventory consists of fresh produce and non-produce product either purchased by, or donated to, Feeding Pennsylvania. Purchased product is valued at the lower of cost (first-in, first-out) or net realizable value. Donated product is valued based upon actual inventory weight in pounds, multiplied by a calculated “per pound” value. The “per pound” value is determined annually and is derived from published prices obtained from Feeding America and its Product Valuation Methodology Survey report. The “per pound” value used to determine donated produce, and related cost of produce sales, was \$0.89 in 2025 and 2024. The “per pound” value used to determine donated non-produce, and the related cost of non-produce sales, was \$1.97 in 2025 and 2024. Donated produce and non-produce totaled \$64,537 and \$195,535 at June 30, 2025 and 2024, respectively.

Donated product invoiced to members totaled 5,683,258 pounds in 2025 and 4,252,024 pounds in 2024. Donated inventory received totaled \$7,796,842 and \$6,778,318 for the years ended June 30, 2025 and 2024, respectively. Cost of product sales of donated inventory totaled \$7,924,480 and \$6,586,214 for the years ended June 30, 2025 and 2024, respectively.

#### ***Intangible Assets***

Intangible assets of Feeding Pennsylvania consist of software and web designs totaling \$172,563 and \$94,113 as of June 30, 2025 and 2024. The software and web designs are being amortized using the straight-line method over its statutory life of 3 years. In 2024, Feeding Pennsylvania wrote off the previous web designs in the amount of \$14,205. Accumulated amortization totaled \$48,381 and \$46,938 as of June 30, 2025 and 2024, respectively. Amortization expense totaled \$15,648 and \$13,137 for the years ended June 30, 2025 and 2024, respectively.

#### ***MARC Member Deposits***

Members of the MARC that engage in purchasing of fresh produce are required to provide working capital deposits to ensure that cash flow needs of the MARC are met and that the program fosters excellent supplier and donor relationships. This deposit is determined by the Feeding Pennsylvania Board of Directors and is fully refundable upon termination of their participation in the MARC.

#### ***Revenue Recognition***

##### *Exchange Transactions*

Revenue is recognized as an exchange transaction when the resource provider is receiving commensurate value from Feeding Pennsylvania in exchange for the resources provided. This may include produce sales – MARC; freight, logistics, and shared maintenance; and membership dues. Produce sales – MARC and freight, logistics, and shared maintenance is recognized as revenue at the point in time in which Feeding Pennsylvania has fulfilled its performance obligation concurrent upon distribution and delivery of the product to participating food banks. Feeding Pennsylvania provides

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

proof of delivery receipt at time possession is taken by the participating food banks. Feeding Pennsylvania then provides an invoice after receiving customer's acceptance of the proof of delivery and incorporates any changes they are made aware of. Membership dues are recognized as revenue over an annual period beginning July 1 of each year as services are provided. If resources are provided in advance of the period in which services are rendered, it is recorded as deferred revenue in the statements of financial position and represents a contract liability. There was no deferred revenue as of July 1, 2023.

In specific cases, returns are accepted, however, Feeding Pennsylvania has not experienced any significant amounts of such returns. Economic factors affecting nature, timing, and uncertainty of revenue and cash flows include the overall health of the economy and food availability.

#### *Contributions*

Revenue is considered a contribution to Feeding Pennsylvania if commensurate value has not been exchanged.

Conditional gifts occur when a barrier has been established by the donor and the donor has a right to be released from the commitment to Feeding Pennsylvania. Conditional gifts are not recognized as revenue until the barrier has been overcome and the donor's right of release has been satisfied. Conditional gifts that have been received are reported as refundable advances until the barrier has been overcome.

Unconditional gifts occur when no barrier to recognition exists or the gift does not include a donor release. These unconditional gifts may continue to carry restrictions on their purpose or application. As such, unconditional gifts may include promises to give and may be included in net assets with donor restrictions or net assets without donor restrictions.

All unconditional contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods, or that are restricted by the donor for specific purposes, are reported as net assets with donor restrictions unless the restriction expired in the same accounting period. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor restrictions that are satisfied in the same fiscal year are reported as net assets without donor restrictions.

#### *Grants and Contracts*

Revenue from grants and contracts, which are generally considered nonreciprocal transactions restricted for certain purposes without an exchange of commensurate value, is recognized as revenue when eligible qualifying expenditures are incurred and conditions under the agreements are met. This includes revenue from nutrition programs grant revenue, agricultural partnerships grant revenue, ARPA program, private grants, and private charitable giving. Any amounts received prior to incurring

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

qualifying expenditures are reported as refundable advances in the statements of financial position. Any disallowed costs due to oversight agency audits are recognized in the period the funds are repaid after the oversight agency has made its determination and issued a final corrective action plan requiring repayment of such costs. No amounts were repaid during the years ended June 30, 2025 and 2024.

#### *In-Kind Contributions*

Feeding Pennsylvania reports gifts of property and equipment (or other long-lived assets) as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Feeding Pennsylvania reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated in-kind contributions of long-lived assets are recorded at fair value at the time of receipt. These contributions are recognized as both support and expenses in the statements of activities.

Feeding Pennsylvania reports produce contributions as unrestricted support when received. Produce contributions are used towards the operation of the MARC program.

#### *Leases*

Feeding Pennsylvania leases office space. The determination of whether an arrangement is or contains a lease is made at inception. Operating leases are included in operating right-of-use (ROU) assets and operating lease obligation on the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease obligations represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and obligations are recognized at commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the risk-free rate used is 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 Feeding Pennsylvania will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

In evaluating contracts to determine if they qualify as a lease, Feeding Pennsylvania considers factors such as if Feeding Pennsylvania has obtained substantially all of the rights to the underlying asset through exclusivity, if Feeding Pennsylvania can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

Feeding Pennsylvania's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

#### ***Functional Expenses***

The costs of providing the various programs and supporting activities of Feeding Pennsylvania have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program services and supporting activities. The expenses that are allocated include the following:

<u>Expenses</u>	<u>Allocation Method</u>
Salaries and employee benefits	Time and effort
Payroll taxes	Time and effort
Audit and accounting	Benefits Received
Insurance	Benefits Received
Miscellaneous	Benefits Received
Occupancy	Benefits Received
Depreciation and amortization	Management estimate
Office expense	Benefits received

The remaining costs of providing program and supporting services are directly charged.

#### ***Income Tax Status***

Feeding Pennsylvania is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related activities pursuant to Section 509(a) of the Internal Revenue Code. In addition, Feeding Pennsylvania was organized under the Pennsylvania Nonprofit Corporation law and is exempt from state income taxes.

Feeding Pennsylvania adheres to the provisions of ASC 740, *Income Taxes*. ASC 740 establishes rules for recognizing and measuring tax positions taken in an income tax return, including disclosures of uncertain tax positions (UTPs). ASC 740 mandates that companies evaluate all material income tax positions for periods that remain open under applicable statutes of limitation, as well as positions expected to be taken in future returns. The UTP rules then impose a recognition threshold on each tax position.

An organization can recognize an income tax benefit only if the position has a "more likely than not" (i.e., more than 50 percent) chance of being sustained on the technical merits. For the years ended June 30, 2025 and 2024, Feeding Pennsylvania has taken no material tax positions on its

# FEEDING PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

applicable tax filings that do not meet the more likely than not threshold. As a result, no amount for uncertain tax positions has been included in the financial statements.

Feeding Pennsylvania's federal exempt organization business income tax returns are no longer subject to examination by the appropriate taxing authorities for years prior to 2022.

### ***Reclassifications***

Certain amounts in the 2024 financial statements have been reclassified to conform to the presentation in the 2025 financial statements.

### ***Subsequent Events***

Feeding Pennsylvania has evaluated subsequent events through February 27, 2026, the date the financial statements were available to be issued.

## **3. LIQUIDITY AND AVAILABILITY OF RESOURCES**

For purposes of analyzing resources available to meet general expenditures within one year of the statement of financial position date, Feeding Pennsylvania considers all resources held by the organization, however, certain resources are limited by internal designation to use by the MARC.

The financial assets as of June 30, 2025 and 2024, available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 1,824,297	\$ 6,147,003
Less: Cash restricted for MARC member deposits	(31,000)	(29,000)
Investments	6,578,445	12,346,121
Receivables		
Government grants receivable	-	533,232
Nutrition education program grants receivable	255,182	263,207
MARC receivables	2,046,421	1,650,426
Other receivables	18,479	116,667
	10,691,824	21,027,656

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

	<u>2025</u>	<u>2024</u>
Less: Refundable advances	(394,839)	(9,804,246)
Less: Net assets with donor restrictions (Note 5)	<u>(259,043)</u>	<u>(831,257)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 10,037,942</u>	<u>\$ 10,392,153</u>

Feeding Pennsylvania manages its liquidity and cash reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

#### 4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under ASC 820, *Fair Value Measurements and Disclosures*, are described as follows:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Feeding Pennsylvania 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.

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

*Fixed income securities:* Valued on the basis of market valuations primarily furnished by an independent pricing service that employs various evaluation methods. Such market valuations may represent one of the following: (i) the last quoted price on the securities' major trading exchange, (ii) quotes received from dealers or market makers in the relevant securities, or (iii) matrix pricing.

The following table sets forth by level, within the fair value hierarchy, Feeding Pennsylvania's investments at fair value as of June 30, 2025 and 2024:

Reported at Fair Value	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Fixed-income securities				
U.S. Government and agencies	\$ -	\$ 6,578,445	\$ -	\$ 6,578,445
Total investments	\$ -	\$ 6,578,445	\$ -	\$ 6,578,445
Reported at Fair Value	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Fixed-income securities				
U.S. Government and agencies	\$ -	\$ 12,346,121	\$ -	\$ 12,346,121
Total investments	\$ -	\$ 12,346,121	\$ -	\$ 12,346,121

#### 5. NET ASSETS WITH DONOR RESTRICTIONS

##### **MARC**

Feeding Pennsylvania received and expended \$544,528 and \$936,075 of freight subsidy grants from Feeding America during the years ended June 30, 2025 and 2024, respectively. Due to these grants

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

being received and expended during the same period, they are included in private grants as net assets without donor restrictions on the statements of activities. Excluding the freight subsidy grants noted above, Feeding Pennsylvania did not receive grants from Feeding America to support the MARC in 2025 and 2024. Feeding Pennsylvania incurred expenses totaling \$525,112 and \$1,383,961, respectively, of related expenses that were applied to previous grants.

Net assets with donor restrictions for MARC total zero and \$525,112 at June 30, 2025 and 2024, respectively.

#### ***Advocacy***

In 2025 and 2024, Feeding Pennsylvania received advocacy grants totaling \$205,500 and \$136,000 from Feeding America and are included in private grants as net assets with donor restrictions on the statements of activities. Feeding Pennsylvania incurred expenses totaling \$177,602 and \$87,355, respectively, of related expenses that were applied to these grants.

Net assets with donor restrictions for Advocacy total \$259,043 and \$231,145 at June 30, 2025 and 2024, respectively.

#### ***Fill A Glass With Hope***

Feeding Pennsylvania received several donations totaling \$190,383 and \$240,815, respectively, from individuals and organizations in connection with the Fill A Glass With Hope Partnership in 2025 and 2024. In 2025 and 2024, Feeding Pennsylvania incurred expenses totaling \$265,383 and \$165,815, respectively, for these donations.

Net assets with donor restrictions for Fill A Glass With Hope totaled zero and \$75,000 at June 30, 2025 and 2024.

## **6. REFUNDABLE ADVANCES**

During 2022, Feeding Pennsylvania received \$11,392,345 in grant funds from the Commonwealth of Pennsylvania Department of Community and Economic Development authorized under the American Rescue Plan Act of 2021 (ARPA). Funds were used to expand cold storage at eighteen participating food banks and had to be spent by December 31, 2024.

During 2023, the Pennsylvania Department of Agriculture advanced \$6,075,333 of grant funds to Feeding Pennsylvania to administer the LFPA program. During 2024, the Pennsylvania Department of Agriculture advanced an additional \$12,049,871 to Feeding Pennsylvania. Funds are to be used to procure food products from local farmers.

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

The following amounts have been recognized as a refundable advance on the statements of financial position at June 30:

	2025	2024
ARPA	\$ -	\$ 6,147,211
LFPA	394,839	3,657,035
	\$ 394,839	\$ 9,804,246

#### 7. GRANTS

Feeding Pennsylvania made grants to its member organizations during the years ended June 30, 2025 and 2024, totaling \$27,189,713 and \$22,203,440 respectively. Grants approved but not disbursed at June 30, 2025 and 2024, totaled \$1,389,832 and \$2,522,322.

#### 8. LEASES

In April 2023, Feeding Pennsylvania entered into a new lease agreement for office space which will expire on June 30, 2030.

Feeding Pennsylvania also holds an operating lease for additional office space for the MARC. The lease commenced in April 2020 for an initial one year term. The lease agreement provides an option to extend the term for an additional two years after which the lease converted to a month-to-month basis.

Total operating lease costs for the years ended June 30, 2025 and 2024 were \$73,704 and \$73,474.

Other information related to operating leases is as follows as of and for the years ended June 30:

	2025	2024
Weighted average remaining lease term	4.93 years	5.93 years
Weighted average discount rate	2.92%	2.92%

## FEEDING PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

Future minimum lease payments under these operating leases consist of the following for the years ending June 30:

2026	\$	56,811
2027		58,515
2028		60,271
2029		62,079
2030		63,942
		<hr/>
Total future minimum lease payments	\$	301,618
Less present value discount		(5,647)
		<hr/>
Net present value of minimum lease obligations	\$	295,971
		<hr/> <hr/>

#### 9. RELATED PARTY TRANSACTIONS

Several board members serve in leadership roles within organizations that maintain membership with Feeding Pennsylvania. These organizations participate in programs offered and administered by Feeding Pennsylvania.

#### 10. CONCENTRATIONS OF RISK

##### *Credit Risk*

Feeding Pennsylvania maintains cash accounts with a financial institution. Deposits at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable FDIC limits. At times, deposits may be in excess of the FDIC insurance limits; however, Feeding Pennsylvania has not experienced losses in any of these accounts.

##### *Concentrations*

For the years ended June 30, 2025 and 2024, Feeding Pennsylvania received 95% and 93% of its grants and donations from the Commonwealth of Pennsylvania. At June 30, 2025 and 2024, receivables from the Commonwealth of Pennsylvania accounted for 100% of the government grants and nutrition education program grants receivable balances.

**SUPPLEMENTARY INFORMATION**

**FEEDING PENNSYLVANIA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
United States Department of Agriculture Pass-through from Commonwealth of Pennsylvania Department of Agriculture Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments (LFPA)	10.182	442210014	\$ -	\$ 14,692,729
Pass-through from the Pennsylvania State University SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	4100088743	-	387,505
Pass-through from Commonwealth of Pennsylvania Department of Agriculture Food Distribution Cluster Emergency Food Assistance Program (Administrative Costs)	10.568	44209060	-	222,819
Department of the Treasury Pass-through from Pennsylvania Department of Community and Economic Development Coronavirus State and Local Fiscal Recovery Funds	21.027	C000082059	6,147,211	6,147,211
Department of Health and Human Services Pass-through from Commonwealth of Pennsylvania Department of Health Preventive Health and Health Services Block Grant	93.991	4100094357	-	455,143
<b>Total Expenditures of Federal Awards</b>			<u>\$ 6,147,211</u>	<u>\$ 21,905,407</u>

**FEEDING PENNSYLVANIA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

**NOTES:**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Feeding Pennsylvania (a nonprofit organization) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the organization.

**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.

**3. INDIRECT COST RATE**

The organization has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance. This rate was either 10% or 15% depending on the period of the contract.

**4. COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF HEALTH FEDERAL AWARDS**

A summary of federal awards passed through the Commonwealth of Pennsylvania Department of Health is as follows:

<u>Contract</u>	<u>6/30/2024 Accounts Receivable (Deferred)</u>	<u>Federal Awards Received</u>	<u>Revenue Recognized</u>	<u>6/30/2025 Accounts Receivable (Deferred)</u>
4100081715	\$ 174,070	\$ 471,819	\$ 455,143	\$ 157,394

**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***

*Independent Auditor's Report*

Board of Directors  
Feeding Pennsylvania

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Feeding Pennsylvania, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 27, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Feeding Pennsylvania's internal control over financial reporting (internal control) as a basis for designing 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 Feeding Pennsylvania's internal control. Accordingly, we do not express an opinion on the effectiveness of Feeding Pennsylvania's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Feeding Pennsylvania'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 Feeding Pennsylvania's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Feeding Pennsylvania's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McKonly & Asbury, LLP*

Camp Hill, Pennsylvania  
February 27, 2026

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

*Independent Auditor's Report*

Board of Directors  
Feeding Pennsylvania

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Feeding Pennsylvania'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 Feeding Pennsylvania's major federal programs for the year ended June 30, 2025. Feeding Pennsylvania's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Feeding Pennsylvania complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Feeding Pennsylvania 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 Feeding Pennsylvania'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 Feeding Pennsylvania's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Feeding Pennsylvania's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Feeding Pennsylvania'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 Feeding Pennsylvania's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control Over Compliance

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

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

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.

*McKonly & Asbury, LLP*

Camp Hill, Pennsylvania  
February 27, 2026

**FEEDING PENNSYLVANIA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

**AUDIT FINDING:** Federal Award Finding 2024-001

**STATUS OF PRIOR AUDIT FINDING:** Planned corrective action was completed during the fiscal year ended June 30, 2024.

**FEEDING PENNSYLVANIA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

Financial Statements

Type of auditor’s report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes  No

Significant deficiencies identified?

Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

Yes  No

Significant deficiencies identified?

Yes  None reported

Type of auditor’s report issued on compliance for major federal programs?

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?

Yes  No

Identification of major programs:

AL Number

Name of Federal Program or Cluster

10.182

Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments (LFPA)

93.991

Preventive Health and Health Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters reported

**FEEDING PENNSYLVANIA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

**SECTION III –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters reported



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