SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
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June 30, 2025 and 2024

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Heberlein & Falk, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Dr., Erie, PA 16506

Independent Auditors' Report

Board of Directors
Second Harvest Food Bank of Northwest Pennsylvania, Inc.
Erie, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Second Harvest Food Bank of Northwest Pennsylvania, Inc. (a non-profit 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 year 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 Second Harvest Food Bank of Northwest Pennsylvania, Inc. 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Second Harvest Food Bank of Northwest Pennsylvania, Inc. and to meet our 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 these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Second Harvest Food Bank of Northwest Pennsylvania, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Second Harvest Food Bank of Northwest Pennsylvania, 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 Second Harvest Food Bank of Northwest Pennsylvania, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of Second Harvest Food Bank of Northwest Pennsylvania Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Second Harvest Food Bank of Northwest Pennsylvania, 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 Second Harvest Food Bank of Northwest Pennsylvania, Inc.'s internal control over financial reporting and compliance.

Heberlein and Falk, P.C.

Heberlein and Falk, P.C.

January 15, 2026
Erie, Pennsylvania

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SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Statements of Financial Position
As of June 30, 2025 and 2024

Assets	2025	2024
Cash and cash equivalents	1,391,639	654,426
Investments	7,059,977	7,118,369
Food inventory	1,713,788	1,389,874
Prepaid expenses	2,485	1,874
Bequests receivable	-	200,000
Grants receivable	274,469	435,114
Total Current Assets	10,442,358	9,799,657
Property and equipment, net	4,136,179	3,513,317
Other Assets		
Cash restricted for specific grants	231,588	196,719
Beneficial interest in Erie Community Foundation assets	268,574	264,305
Beneficial interest in Warren Community Foundation	285,984	253,895
Beneficial interest in Crawford Heritage Community Foundation	26,644	-
Beneficial interest in Bridge Builders Community Foundation	24,925	-
Total Other Assets	837,715	714,919
Total Assets	$ 15,416,252	$ 14,027,893
Liabilities and Net Assets		
Liabilities		
Accounts payable	299,216	242,190
Accrued liabilities	205,336	40,071
Unearned grants	267,719	681,583
Total Current Liabilities	772,271	963,844
Net Assets		
Without donor restrictions		
Investment in fixed assets	4,136,179	3,513,317
Unrestricted, undesignated	2,260,771	1,460,956
Board designated endowment	7,666,104	7,636,570
Total Net Assets Without Donor Restrictions	14,063,054	12,610,843
With donor restrictions		
Contributed food	356,563	379,394
Other	224,364	73,812
Total Net Assets With Donor Restrictions	580,927	453,206
Total Net Assets	14,643,981	13,064,049
Total Liabilities and Net Assets	$ 15,416,252	$ 14,027,893

See accompanying notes to financial statements.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Statements of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions		Total
		Donated Food	Other	
Support and Revenue				
Contributions	$ 3,170,511	$ -	$ 205,964	$ 3,376,475
Government support	496,869	-	-	496,869
Shared maintenance revenue	346,204	-	-	346,204
Purchased food	3,173,590	-	-	3,173,590
In Kind food revenue	4,211,426	10,172,627	-	14,384,053
Other income	932,774	-	-	932,774
Investment income/(loss)	796,996	-	-	796,996
Total Support and Revenue	13,128,370	10,172,627	205,964	23,506,961
Net Assets Released From Restrictions	10,250,870	(10,195,458)	(55,412)	-
Total Public Support, Revenue and Reclassifications	23,379,240	(22,831)	150,552	23,506,961
Expenses				
Program services	20,508,192	-	-	20,508,192
Management and general	866,250	-	-	866,250
Fundraising	552,587	-	-	552,587
Total Expenses	21,927,029	-	-	21,927,029
Change in Net Assets	1,452,211	(22,831)	150,552	1,579,932
Beginning Net Assets	12,610,843	379,394	73,812	13,064,049
Ending Net Assets	$ 14,063,054	$ 356,563	$ 224,364	$ 14,643,981

See accompanying notes to financial statements.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Statements of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		Donated Food	Other	
Support and Revenue				
Contributions	$ 2,952,415	$ -	$ 190,174	$ 3,142,589
Government support	491,363	-	-	491,363
Shared maintenance revenue	314,253	-	-	314,253
Purchased food	2,422,287	-	-	2,422,287
In Kind food revenue	6,893,265	8,735,725	-	15,628,990
Other income	455,875	-	-	455,875
Investment income/(loss)	904,995	-	-	904,995
Total Support and Revenue	14,434,453	8,735,725	190,174	23,360,352
Net Assets Released From Restrictions	9,045,437	(8,731,299)	(314,138)	-
Total Public Support, Revenue and Reclassifications	23,479,890	4,426	(123,964)	23,360,352
Expenses				
Program services	21,369,434	-	-	21,369,434
Management and general	825,973	-	-	825,973
Fundraising	508,465	-	-	508,465
Total Expenses	22,703,872	-	-	22,703,872
Change in Net Assets	776,018	4,426	(123,964)	656,480
Beginning Net Assets	11,834,825	374,968	197,776	12,407,569
Ending Net Assets	$ 12,610,843	$ 379,394	$ 73,812	$ 13,064,049

See accompanying notes to financial statements.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Statements of Functional Expenses
For the Year Ended June 30, 2025

	Program Services	Supporting Services		
	Food Distribution	Management and General	Fundraising	Total
Operating Expenses				
Salaries	$ 1,372,736	$ 370,335	$ 250,889	$ 1,993,960
Payroll taxes and employee benefits	473,281	127,681	86,500	687,462
Professional services	24,730	136,013	148,378	309,121
Supplies	50,546	45,281	9,477	105,305
Office related expenses	24,423	24,423	57,342	106,189
Freight and trucking	187,114	-	-	187,114
Utilities	75,476	8,386	-	83,862
Insurance	30,428	26,984	-	57,412
Repairs and maintenance	91,629	81,255	-	172,884
Conferences, meetngs and travel	9,173	8,135	-	17,308
Memberships	12,411	11,006	-	23,417
Food purchases	2,469,434	-	-	2,469,434
Miscellaneous	73,731	-	-	73,731
Depreciation expense	240,750	26,750	-	267,500
Total Operating Expenses	5,135,862	866,250	552,587	6,554,699
Grant Expenses - Food Expenses				
N.A.P. in kind food	816,000	-	-	816,000
TEFAP	2,840,720	-	-	2,840,720
CSFP	1,482,716	-	-	1,482,716
LFPA	1,064,779	-	-	1,064,779
PASS	323,766	-	-	323,766
Total Grant Expenses	6,527,981	-	-	6,527,981
Donated Food				
Donated food distributed	8,844,349	-	-	8,844,349
Total Expenses	$ 20,508,192	$ 866,250	$ 552,587	$ 21,927,029

See accompanying notes to financial statements.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Statements of Functional Expenses
For the Year Ended June 30, 2024

	Program Services	Supporting Services		
	Food Distribution	Management and General	Fundraising	Total
Operating Expenses				
Salaries	$ 1,285,483	$ 341,326	$ 233,862	$ 1,860,671
Payroll taxes and employee benefits	480,614	127,579	87,441	695,634
Professional services	20,696	113,826	124,174	258,696
Supplies	63,244	56,656	11,858	131,758
Office related expenses	21,777	21,777	51,129	94,684
Freight and trucking	208,791	-	-	208,791
Utilities	98,496	10,944	-	109,440
Insurance	26,872	23,830	-	50,702
Repairs and maintenance	89,528	79,392	-	168,920
Conferences, meetngs and travel	15,606	13,840	-	29,446
Memberships	9,839	8,726	-	18,565
Food purchases	2,696,210	-	-	2,696,210
Miscellaneous	93,887	-	-	93,887
Depreciation expense	252,693	28,077	-	280,770
Total Operating Expenses	5,363,736	825,973	508,465	6,698,174
Grant Expenses - Food Expenses				
N.A.P. in kind food	814,000	-	-	814,000
TEFAP	5,251,734	-	-	5,251,734
CSFP	1,310,033	-	-	1,310,033
LFPA	552,984	-	-	552,984
PASS	299,127	-	-	299,127
Total Grant Expenses	8,227,878	-	-	8,227,878
Donated Food				
Donated food distributed	7,777,820	-	-	7,777,820
Total Expenses	$ 21,369,434	$ 825,973	$ 508,465	$ 22,703,872

See accompanying notes to financial statements.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Statements of Cash Flows
For the Year Ended June 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 1,579,932	$ 780,444
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation	267,500	280,770
Realized and unrealized (gain)/loss on investments	(598,888)	(714,618)
(Increase) decrease in:		
Receivables	360,645	(213,024)
Prepaid expenses	(611)	1,216
Food inventory	(323,914)	5,896
Increase (decrease) in:		
Accounts payable	57,026	1,595
Accrued liabilities	165,265	(539,139)
Unearned grants	(413,864)	445,186
Net Cash Provided By Operating Activities	1,093,091	48,326
Cash Flows From Investing Activities		
Proceeds from sale of investments	767,461	1,389,522
Purchases of investments	(198,108)	(1,359,777)
Purchases of property and equipment	(890,362)	(118,624)
Net Cash Used In Investing Activities	(321,009)	(88,879)
Increase (Decrease) in Cash and Cash Equivalents	772,082	(40,553)
Beginning Cash and Cash Equivalents	851,145	891,698
Ending Cash and Cash Equivalents	$ 1,623,227	$ 851,145
Cash and Cash Equivalents consists of:		
Cash and cash equivalents	$ 1,391,639	$ 654,426
Cash restricted for specific grants	231,588	196,719
	$ 1,623,227	$ 851,145

See accompanying notes to financial statements.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Food Bank are described below to enhance the usefulness of the financial statements to the reader.

A. Organization

A Food Bank is an organization that collects product from the food industry and food drives, inventories and stores it, and distributes it to agencies - such as food pantries, soup kitchens, kid's cafes, backpack programs and shelters - that provide food directly to individuals in need. A food bank has the capacity to distribute millions of pounds of grocery products every year.

The Second Harvest Food Bank of NW PA, Inc. (Food Bank) is the largest non-profit food distribution organization in northwestern Pennsylvania. The mission is to provide food to those in need within eleven counties of northwest Pennsylvania while creating awareness and educating the community on the realities of hunger. Second Harvest solicits and then distributes food to partner organizations. According to the most recent Map the Meal Gap study conducted by Feeding America, 14.8% of the population of 101,430 individuals residing within Second Harvest's 11 county service area of Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Venango and Warren counties are considered to be food insecure. Many of these seniors, adults and children are seeking emergency food relief from Second Harvest's anti-hunger network. During 2024-2025 and 2023/2024 respectively, Second Harvest distributed 11,837,718 and 12,516,905 pounds of food to 292 and 275-member agencies and 106 and 119 distribution sites for the Commodity Supplemental Food Program for low-income seniors.

B. Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting, which generally recognizes revenue when earned and expenses when incurred.

C. Cash Balances, Cash Equivalents, Concentration of Risk and Restricted Cash

The Food Bank considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Cash balances are maintained at institutions in northwestern Pennsylvania. Bank accounts were insured by the Federal Deposit Insurance Corporation up to $250,000 per financial institution account at June 30, 2025. At June 30, 2025 and 2024, the bank balances were $1,664,678 and $1,008,805, respectively, of which $890,944 and $309,033, respectively, was covered by FDIC insurance and the remainder was uninsured. Cash equivalents held in brokerage accounts are not federally insured. Balances in these funds at June 30, 2025 and 2024 are $723,657 and $203,380, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Food Bank has entered into grant agreements that require the funds received and used for the grant to be deposited into a separate cash account. This account is reported as cash restricted for specific grants on the statement of financial position.

D. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

E. Food Inventory

Food inventory consists of purchased and donated food. Purchased food is valued at cost on a lower of cost or market basis on the first-in, first-out method. Donated food has been donated by the public. Food received through the Emergency Food Assistance Program is valued at estimated cost provided by the program. All other food donations are valued at $1.97 and $1.93 per gross pound for the year ended June 30, 2025 and 2024, respectfully. Feeding America, the national food bank network, determined this value. KPMG, LLP performed certain agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants solely to assist food banks with respect to determining the approximate average wholesale value of one pound of donated product at the national level.

F. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

G. Concentration of Credit Risk

The Food Bank grants credit to its customers for service fees in the course of business, conducts periodic evaluations and generally requires no collateral. Cash receipts come generally from service fees, government grants, and contributions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The maximum amount of loss due to credit risk that, based on the gross fair value of the accounts receivable balance the Food Bank would incur if parties failed to perform according to the terms of the contracts, is limited to the balance in the accounts receivable account.

H. Property and Equipment

The Food Bank generally capitalizes property and equipment at cost. Expenditures for renewals and betterments generally greater than $1,000 are capitalized; repairs and maintenance are expensed. Donated equipment is capitalized at its estimated fair value upon receipt. Depreciation and depreciable fixed assets are computed using the straight-line method over estimated useful lives beginning when the assets are placed in service.

I. Contributions

Contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions. Such contributions are required to be reported as with donor restrictions support and are then reclassified to net assets without donor restriction upon expiration of the donor restrictions.

Donated food is restricted to feeding the needy. The Food Bank recognizes the value of contributed food as with donor restrictions support when received and records the restriction as released when distributed.

J. Contributed Services

Services provided which create or enhance nonfinancial assets or require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. These services are recognized in the financial statements at the fair value of services provided.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Food Bank in its food distribution facilities. These services are not recognized in the financial statements.

K. Shipping and Handling Costs

Costs of shipping and handling inventory are expensed as incurred. Inventory on the statement of net position is largely determined on a dollar per pound basis and no additional costs are added to it.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 these estimates.

M. Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Organization accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. Management determined that there were no tax uncertainties that met the recognition threshold.

N. Sequencing on the Statement of Financial Position

Assets are sequenced according to the nearness of conversion to cash, and liabilities are sequenced according to the nearness of their maturity and resulting use of cash.

O. Functional Allocation of Expenses

Salaries, benefits and taxes are allocated to functional expenses based on time employees spend on each specific function. The remaining expenses are allocated wherever practical or are based on another equitable method.

P. Leases

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842),* which requires a lessee to recognize assets and liabilities on the balance sheet for those leases classified as operating leases under previous guidance. In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842 (Leases),* and ASU 2018-10, *Leases* (Topic 842), *Targeted Improvements,* which provide (1) narrow amendments to clarify how to apply certain aspects of the new lease standard, (2) entities with an additional transition method to adopt the new standard, and (3) lessors with a practical expedient for separating components of a contract. The Organization has one operating type lease commitment for its copiers that falls under this accounting pronouncement. The Organization has not deemed any leases to be material under the standard for the financial statements for the year ending June 30, 2025.

NOTE 2 – BENEFICIAL INTEREST IN FOUNDATION ASSETS

In June 2009, the Organization transferred $187,500 to the Erie Community Foundation. This irrevocable gift was used to establish a fund to benefit the Food Bank. The net income from the fund will be used exclusively to support the Food Bank as long as they operate as a non-profit organization and continue to fill local needs. Should the Organization's mission become for-profit, inconsistent with local needs or impossible to accomplish, the Foundation may vary the agreement to insure it is consistent with the Organization's original intent. That is, the Organization explicitly grants variance power to the Foundation. Net income (loss) is defined as a percentage of the fund market value. Net income (loss) from the fund recognized in the year ended June 30, 2025 and 2024 was $4,269 and $17,659, respectively. The fair market value at June 30, 2025 and 2024 was $268,574 and $264,305, respectively.

In August 2014, the Organization transferred $25,000 to the Warren Community Foundation. The irrevocable gift was used to establish a fund to benefit the Food Bank. The net income from the fund will be used exclusively to support the Food Bank's programs in Warren County. Should the Food Bank's mission become impossible to accomplish or should the Food Bank cease to exist, the Foundation shall ensure the funds are utilized in a manner which is consistent with the original intent of the fund. That is, the Food Bank explicitly grants variance power to the Foundation. The Food Bank retains the option to withdraw principal from the funds with the stipulation that the fund shall not go below $5,000. Net income (loss) from the fund for the year ended June 30, 2025 and 2024 was $32,088 and $40,669, respectfully. The fair market value at June 30, 2025 and 2024 was $285,984 and $253,896, respectfully.

In July, 2024, the Organization transferred $25,000 to the Crawford Heritage Community Foundation. The irrevocable gift was used to establish a fund to benefit the Food Bank. The net income from the fund will be used exclusively to support the Food Bank's programs. Should the Food Bank's mission become impossible to accomplish or should the Food Bank cease to exist, the Foundation shall ensure the funds are utilized in a manner which is consistent with the original intent of the fund. That is, the Food Bank explicitly grants variance power to the Foundation. The spending policy in effect is an annual distribution of 4% of the fund value, with the principal to stay intact. Net income (loss) from the fund for the year ended June 30, 2025 and 2024 was $1,644 and $0, respectfully. The fair market value at June 30, 2025 and 2024 was $26,644 and $0, respectfully.

In August 2024, the Organization transferred $25,000 to the Bridge Builders Community Foundation. The irrevocable gift was used to establish a fund to benefit the Food Bank. The net income from the fund will be used exclusively to support the Food Bank's programs in Warren County. Should the Food Bank's mission become impossible to accomplish or should the Food Bank cease to exist, the Foundation shall ensure the funds are utilized in a manner which is consistent with the original intent of the fund. That is, the Food Bank explicitly grants variance power to the Foundation. The Food Bank retains the option to make an annual withdrawal from the funds between 3% and 7% . Net income (loss) from the fund for the year ended June 30, 2025 and 2024 was $(75) and $0, respectfully. The fair market value at June 30, 2025 and 2024 was $24,925 and $0, respectfully.

NOTE 3 – FAIR VALUE OF ASSETS

The Organization's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair value is measured based on a fair value hierarchy based on three levels of inputs of which the first two are considered observable and the last is considered unobservable.

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The assets 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.

Assets measured at fair value on a recurring basis include the following at June 30, 2025:

		Level 1	Level 3
Investments:			
Equity- exchange traded funds	$ 2,325,884	$ 2,325,884	$ -
Equity - mutual funds	3,388,412	3,388,412	-
Fixed income - mutual funds	1,345,681	1,345,681	-
	$ 7,059,977	$ 7,059,977	$ -
Beneficial interest in:			
Erie Community Foundation	$ -	$ -	$ 268,574
Warren Community Foundation	-	-	285,984
Crawford Heritage Community Foundation	-	-	26,644
Bridge Builders Community Foundation	-	-	24,925
	$ -	$ -	$ 606,127

NOTE 3 – FAIR VALUE OF ASSETS (CONTINUED)

Assets measured at fair value on a recurring basis include the following at June 30, 2024:

		Level 1	Level 3
Investments:			
Equity- exchange traded funds	$ 3,162,202	$ 3,162,202	$ -
Equity - mutual funds	1,780,622	1,780,622	-
Fixed income - mutual funds	2,429,441	2,429,441	-
	$ 7,372,265	$ 7,372,265	$ -
Beneficial interest in Erie Community Foundation assets	$ -	$ -	$ 264,305

Investments reported above consist of the following reported on the statement of financial position as of:

	June 30, 2024
Investments	$ 7,118,369
Beneficial interest in – Warren Community Foundation	253,896
	$ 7,372,265

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

Mutual funds and exchange traded funds: Valued at the daily closing price as reported by the fund. The funds held by the Organization are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Organization are deemed to be actively traded.

Beneficial interest in Foundation assets: The Organization's valuation methodology used to measure the fair value of funds held at the various Community Foundations relies upon information provided by their personnel. The Organization's share of the investment pool is based on the underlying fair values of the investments consisting of all three hierarchy levels; thus is classified within Level 3 of the valuation hierarchy.

NOTE 3 – FAIR VALUE OF ASSETS (CONTINUED)

The assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) consist of the beneficial interest with the various Community Foundations and had the following changes during the years ended June 30, 2025 and 2024:

	June 30, 2025	June 30, 2024
Beginning balance	$ 264,305	$ 246,646
Transfers in	253,895	
Contributions	50,000	361
Interest and dividends	3,159	2,195
Unrealized/realized gain/(losses)	39,213	18,491
Withdrawal	-	-
Investment/management fees	(4,445)	(3,388)
	$ 606,127	$ 264,305

NOTE 4 – AFFILIATE RELATIONSHIP

The Food Bank is an affiliate of the non-profit food banking network of Feeding America, formerly named America's Second Harvest. As such, the Food Bank is restricted to a service area, required to pay an affiliate fee, receives access to an affiliate-only food bank exchange, and receives an annual valuation per pound of donated food.

NOTE 5 – FOOD INVENTORY

Food inventory consists of donated food, purchased food, and grant commodities. Inventory at June 30, 2025 and 2024 is as follows:

	June 30, 2025	June 30, 2024
Donated food	$ 356,563	$ 379,394
Purchased food	750,550	492,322
Grant commodities	606,675	518,158
	$ 1,713,788	$ 1,389,874

NOTE 6 – AGENCY SERVICE FEES AND FOOD GRANTS

The Food Bank generally charges service fees of $.15 per pound for donated items to emergency agencies, $.17 per pound for donated items to non-emergency agencies. The Food Bank also receives $.12 per pound for "Entitlement Commodities" which qualify under the United States Department of Agriculture, The Emergency Food Assistance Program (TEFAP). The Food Bank does not receive a service fee reimbursement for food received through the federal TEFAP "Bonus Commodities" program. Member agencies take grocery items and redistribute these items to the poor, needy and hungry. The fee charged to member agencies offsets a portion of the handling and redistribution costs incurred by the Food Bank. Per pound costs to the Food Bank are calculated annually. For the year ended June 30, 2025, it cost the Food Bank $.32 to provide one pound of food to member agencies. However, because grocery items are distributed at no cost or because grants and contributions are solicited to directly pay agency service fees and purchased commodities, member agencies paid on average $.07 per pound for food received by the Food Bank last fiscal year.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2025 and 2024 consists of:

	2025	2024
Land	$ 173,139	$ 173,139
Land improvements	54,064	50,674
Building	5,198,321	4,508,651
Warehouse equipment	963,211	824,230
Office furniture and equipment	280,390	231,917
Vehicles	1,257,340	1,392,481
	7,926,465	7,181,092
Less: Accumulated depreciation	(3,790,286)	(3,667,775)
	$ 4,136,179	$ 3,513,317

Estimated useful lives are as follows:

Land improvements	15 years
Building	40 years
Warehouse equipment	5-10 years
Office furniture and equipment	3-8 years
Vehicles	3-5 years
Leasehold improvements	5-31 years

NOTE 7 – PROPERTY AND EQUIPMENT (CONTINUED)

Grants received by the Food Bank have been used to purchase refrigerators and freezers for their member agencies. The equipment is owned and depreciated by the Food Bank, although it is not currently used in their operations. If the member agency ceases to exist while the equipment is operational, the agencies have agreed to return this equipment. The carrying amount for these assets is $42,098 and $66,542 for the years ended June 30, 2025 and 2024 respectively. The Food Bank implies a time restriction that expires over the useful life of these donated assets.

NOTE 8 – MANAGEMENT OF FINANCIAL RESOURCES AND LIQUIDITY

The Organization is primarily funded through program revenue; however, revenue is also generated through investment earnings, grants and donor contributions. All programs and investment revenues are readily available to support the operations of the Organization; however, certain contributions and grants may have donor-imposed restrictions. Such restrictions require that the resources be used in a certain manner or in a future period. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization structures its financial assets to be available as general expenditures and liabilities become due.

The Organization's available financial assets as of June 30, 2025 and 2024, reduced by amounts that are not available for general use due to donor-imposed restrictions, are noted below. Amounts that are not available also include net assets consisting of the Organization's fixed assets, net of related debt and board designations including the board designated endowment:

	2025	2024
Total Assets as of June 30	$ 15,416,252	$ 14,027,893
less those unavailable for general expenditure within one year due to:		
Donor restrictions	(580,927)	(453,206)
Fixed assets, net of related debt	(4,136,179)	(3,513,317)
Board designations:		
Endowment fund	(7,666,104)	(7,636,570)
Financial Assets available for use within one year	$ 3,033,042	$ 2,424,800

NOTE 9 – BOARD DESIGNATED ENDOWMENT

The Organization's endowment includes funds designated by the Board of Directors as an endowment. The purpose of this endowment is to develop and stimulate an alternative source of funds to supplement the Organization's other funding sources. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Amounts included as investments were reclassified to board designated endowment in the prior year June 30, 2024.

Interpretation of Relevant Law

The current relevant law for the investment and distribution of restricted endowment and trust funds in the Commonwealth of Pennsylvania is PA Act 141 (Act 141). Since the Organization has no restricted endowment, Act 141 does not apply.

Changes in endowment net assets for the year ended June 30, 2025:

	Erie Community Foundation	Warren Community Foundation	Crawford Heritage Community Foundation	Bridge Builders Community Foundation	Investments-Northwest
Beginning balance	$ 264,305	$ 253,895	$ -	$ -	$ 7,118,369
Contributions and deposits	-	-	25,000	25,000	-
Interest and dividends	2,473	-	686	-	175,372
Unrealized/realized gains/(losses)	5,327	32,089	1,810	(13)	(204,209)
Withdrawal	-	-	-	-	-
Investment/management fees	(3,531)	-	(852)	(62)	(29,555)
Ending balance	$ 268,574	$ 285,984	$ 26,644	$ 24,925	$ 7,059,977

NOTE 9 – BOARD DESIGNATED ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2024:

	Erie Community Foundation	Warren Community Foundation	Investments
Beginning balance	$ 246,646	$ 213,227	$ 6,491,824
Contributions and deposits	361	32,864	-
Interest and dividends	2,195	4,141	167,041
Unrealized/realized gains/(losses)	18,491	4,284	492,860
Withdrawal	-	-	-
Investment/management fees	(3,388)	(620)	(33,356)
Ending balance	$ 264,305	$ 253,896	$ 7,118,369

Return Objectives and Risk Parameters

The Board of Directors has adopted an investment policy for financial assets that attempts to support the long-term objectives of the Organization. The objectives include funding operational cash flow shortfalls, providing relative stability of principal, and maximizing total investment return.

Strategies Employed for Achieving Objectives

In accordance with the objectives, the total portfolio should be constructed and maintained to minimize the risk of large losses to principal. To satisfy these objectives, the Organization has developed an allocation strategy to maximize total return while minimizing exposure of principal assets in the long run. The Organization targets a diversified asset allocation in equity-based investments and in high quality fixed income investments.

Spending Policy and How the Investment Objectives Related to Spending Policy

The endowment trustees distribute funds as stipulated by the Organization and within the purpose of the trust as outlined in the endowment governing documents for the named funds.

NOTE 10 – NEIGHBORHOOD ASSISTANCE GRANT

The Neighborhood Assistance Act Program is funded by contributions from businesses within Pennsylvania. Contributors receive Pennsylvania income tax credits of 55% of the valued contributed amount. The grant consists of both cash and in-kind contributions of food. Cash contributions were used to fund freight and other costs associated with the procurement and distribution of food. Donated food eligible for this credit is included in total contributed food. Tax credits under the contract were $753,025 and $642,400 for the years ended June 30, 2025 and 2024, respectively.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions:

	2025	2024
Food inventory	$ 356,563	$ 379,394
Backpack program donations	101,118	29,124
Thanksgiving program donations	104,025	28,917
Child Feeding Pool	19,221	15,771
	$ 580,927	$ 453,206

NOTE 12 – CONTRIBUTED SERVICES

Contributed services, which met the definition for recognition during the year ended June 30, 2025, are largely comprised of professional fees. Contributed services were used in administration of the Food Bank. The fair value of unrecognized services has not been determined.

NOTE 13 – JOINT FUNDRAISING COSTS

Joint costs have been incurred in activities that include management and general and fundraising. Salaries have been allocated based on estimated percentage of time spent in fundraising activities. Salaries with joint costs allocated to management and general and fundraising were as follows:

Management and general	$ 111,209
Fundraising	99,260
	$ 210,469

NOTE 14 – RETIREMENT PLAN

The Food Bank maintains a profit-sharing plan which covers substantially all full-time employees who meet certain eligibility requirements and choose to participate. The Organization matched up to 5% of the employee contributions. In addition, the Board of Directors will annually determine if they will make a discretionary contribution up to 5% of eligible employee compensation. Employees are fully vested within six years. The accrual is based on past practice of the Board, which has not yet determined a contribution percentage. During the year ended June 30, 2025 and 2024, profit sharing expense was $105,251 and $121,833, respectively.

NOTE 15 – RELATED PARTY TRANSACTIONS

The following related party transactions were for services performed within the nature of the Organization and were consummated on terms similar to those in arms-length transactions.

Legal expenses are provided by a firm in which a partner is a Board member. Amounts paid for legal services totaled $4,132 and 12,541 for the years ended June 30, 2025 and 2024 respectively.

Computer programming and equipment are provided by a company which is owned by a Board member. Amounts paid for computer programming and equipment totaled $50,340 and $45,036 for the years ended June 30, 2025 and 2024 respectively.

NOTE 16 – REVENUE RECOGNITION

On July 1, 2020, the Organization adopted FASB ASU No. 2014-09 (Topic 606) - *Revenue from Contracts* with *Customers* ("ASU No. 2014-09" or "Topic 606"), which provides guidance for revenue recognition that superseded the revenue recognition requirements in Accounting Standards Codification ("ASC" Topic 605, *Revenue Recognition* ("Topic 605")) and most industry specific guidance. Under ASU 2014-09, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The Organization adopted ASU 2014-09 under the modified retrospective approach, applying the amendments to prospective reporting periods.

Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services by following a five-step process, (1) identify the contract with the customer, (2) identify the performance obligation in the contract, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognize revenue when or as the Organization satisfies a performance obligation, as further described below.

Identify the contract with a customer. The Organization generally considers a contract with clients or other organizations as a customer contract between itself and other organizations for the purpose of food distribution services provided that the collection for these services is considered probable. This contract is entered into upon providing those services with reasonable expectation of payment.

- Grant Revenue – Rates are determined based on contracts agreed upon by the grantor and the Organization for the purposes of obtaining, storing, and distributing food.

Identify the performance obligations in the contract. Service performance obligations by the Organization include food distribution services.

- Grant Revenue – The Organization's contractually agreed-upon task of obtaining, storing, and distributing food based on the terms within the agreement.

NOTE 16 – REVENUE RECOGNITION (CONTINUED)

Determine the transaction price. The transaction price for the Organization's contract with its customers consists of fixed consideration.

- Grant Revenue – The transaction price is based upon the amount of consideration agreed-upon in the contract and varies depending on the level of services the Organization provides.

Allocate the transaction price to the performance obligations in the contract.

- Grant Revenue – There is only one performance obligation, all consideration received is allocated based on the standalone transaction price.

Recognize revenue when or as the Organization satisfies a performance obligation.

- Grant Revenue - Revenue from government grants and contracts with other organizations is recognized to the extent of expenses incurred up to the contract limit.

The following table presents activity of the Organization for the years ended June 30, 2025 and 2024:

	Grants Receivable	Unearned Revenue
Balance at 7/1/23	$ 222,089	$ 112,433
Revenue recognized	413,024	2,520,295
Receipt of payments/write-offs	-	(1,951,145)
Balance at 6/30/24	635,113	681,583
Revenue recognized	-	2,222,077
Receipt of payments/write-offs	(360,644)	(2,635,941)
Balance at 6/30/25	$ 274,469	$ 267,719

NOTE 17 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 15, 2026, the date at which the financial statements were available to be issued.

Heberlein & Falk, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Dr., Erie, PA 16506

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
Second Harvest Food Bank of
Northwest Pennsylvania, Inc.
Erie, 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 Second Harvest Food Bank of Northwest Pennsylvania, Inc., 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 January 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Second Harvest Food Bank of Northwest Pennsylvania, 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 Second Harvest Food Bank of Northwest Pennsylvania, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Second Harvest Food Bank of Northwest Pennsylvania, 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 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.

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* (Continued)

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 Second Harvest Food Bank of Northwest Pennsylvania, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Heberlein and Falk, P.C.

Heberlein and Falk, P.C.

January 15, 2026
Erie, Pennsylvania

Heberlein & Falk, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Dr., Erie, PA 16506

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
Second Harvest Food Bank of Northwest Pennsylvania, Inc.
Erie, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Second Harvest Food Bank of Northwest Pennsylvania, 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 Second Harvest Food Bank of Northwest Pennsylvania, Inc.'s major federal programs for the year ended June 30, 2025. Second Harvest Food Bank of Northwest Pennsylvania, Inc.'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, Second Harvest Food Bank of Northwest Pennsylvania, 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 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; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Second Harvest Food Bank of Northwest Pennsylvania, 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 Second Harvest Food Bank of Northwest Pennsylvania, Inc.'s compliance with the compliance requirements referred to above.

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

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 Second Harvest Food Bank of Northwest Pennsylvania, Inc.'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 Second Harvest Food Bank of Northwest Pennsylvania, 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 Second Harvest Food Bank of Northwest Pennsylvania, Inc.'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 Second Harvest Food Bank of Northwest Pennsylvania, Inc.'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 Second Harvest Food Bank of Northwest Pennsylvania, 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 Second Harvest Food Bank of Northwest Pennsylvania, Inc.'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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Second Harvest Food Bank of Northwest Pennsylvania, Inc. as of and for the year ended June 30, 2025, and have issued our report thereon dated January 15, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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.

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.

Heberlein and Falk, P.C.

Heberlein and Falk, P.C.

January 15, 2026
Erie, Pennsylvania

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SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/Program Title	Source Code	Federal Assistance Listing Number	Pass-through Grantor's Number	Federal Expenditures	Passed-through to Subrecipients
U.S. Department of Agriculture					
Passed through Pennsylvania Department of Agriculture					
Commodity Supplemental Food Program (Administrative Costs)	I	10.565	N/A	$ 258,887	$ -
Commodity Supplemental Food Program (Food Commodities)	I	10.565	N/A	1,482,716	-
				1,741,603	-
Emergency Food Assistance Program (Administrative Costs)	I	10.568	N/A	211,704	-
Passed through various counties:					
Emergency Food Assistance Program (Food Commodities)	I	10.569	N/A		
Passed through the following:					
Pennsylvania Department of Agriculture				2,840,720	-
Total Food Distribution Cluster				4,794,027	-
Supplemental Nutrion Assistance Program	I	10.561	N/A	72,665	-
Total SNAP Cluster				72,665	-
Local Food Purchase Assistance Program	I	10.182	N/A	1,064,779	-
U.S. Department of Health and Human Services					
Passed through Pennsylvania Department of Health and Human Services					
Healthy Pantry Initiative	I	93.991	N/A	92,332	-
Total Expenditures of Federal Awards				$ 6,023,803	$ -

See accompanying notes to the schedule.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Second Harvest Food Bank of Northwest Pennsylvania, Inc. 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 Food Bank, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Second Harvest Food Bank of Northwest Pennsylvania, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) 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.

(2) Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The Organization uses the 10-percent de minimis indirect costs rate for certain grants that allow it and has elected not to use the 10-percent de minimis indirect cost rate for all other grants under the Uniform Guidance.

NOTE 4 – FOOD DONATIONS

Food received through The Food Distribution Cluster is valued at estimated cost provided by the program. At June 30, 2025, the Organization had food commodities from the program totaling $606,675 in inventory.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

1. Summary of auditors' results

(i) Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified opinion.

(ii) Internal control over financial reporting:
- Material weakness(es) identified – No.
- Significant deficiency(ies) identified – None reported.

(iii) The audit disclosed no noncompliance which is material to the financial statements.

(iv) Internal control over major federal programs:
- Material weakness(es) identified – No.
- Significant deficiency(ies) identified – None reported.

(v) Type of auditor's report issued on compliance for major federal programs: Unmodified opinion.

(vi) The audit disclosed no audit findings which are required to be reported, in accordance with 2 CFR 200.51 6(a).

(vii) Major programs:

Food Distribution Cluster Commodity Supplemental Food Program	10.565
The Emergency Food Assistance Program - Program Funds	10.568
The Emergency Food Assistance Program - Commodities	10.569
Local Food Purchase Assistance Program	10.182

(viii) Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

(ix) Second Harvest Food Bank of Northwest Pennsylvania, Inc. did qualify as a low-risk auditee.

2. Material findings required to be reported in accordance with generally accepted government auditing standards

   None.

3. Findings and questioned costs for Federal awards

   None.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

1. Prior significant deficiencies: None.

2. Prior material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program: None.

3. Known questioned costs greater than $25,000: None.

SECOND HARVEST FOOD BANK
OF NORTHWEST PENNSYLVANIA, INC.
List of Report Distribution
For the Year Ended June 30, 2025

The following is a list of all agencies to which the audit reports are distributed:

1. United States Bureau of the Census

2. Pennsylvania Bureau of Audits