# BALLARD FOOD BANK

Financial Statements
September 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ballard Food Bank
Seattle, Washington

**Opinion**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ballard Food Bank as of September 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. 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 Ballard Food Bank and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ballard Food Bank'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 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, 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 Ballard Food Bank'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 Ballard Food Bank'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.

*Greenwood Ohlund*

Seattle, Washington
February 26, 2026

**BALLARD FOOD BANK**

STATEMENTS OF FINANCIAL POSITION
September 30, 2025 and 2024

| ASSETS | 2025 | 2024 |
|---|---|---|
| Current Assets | | |
| Cash and cash equivalents | $ 2,260,191 | $ 2,476,237 |
| Contributions receivable | 358,973 | 271,543 |
| Food inventory | 160,709 | 175,066 |
| Prepaid expenses and other assets | 49,099 | 41,383 |
| Total current assets | 2,828,972 | 2,964,229 |
| Contributions Receivable, less current portion | 275,000 | - |
| Board-Designated Investments | 3,478,943 | 3,371,159 |
| Property and Equipment, net | 11,810,955 | 12,051,808 |
| Total assets | $ 18,393,870 | $ 18,387,196 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable | $ 155,275 | $ 61,742 |
| Accrued payroll and benefits | 263,261 | 268,070 |
| Total liabilities | 418,536 | 329,812 |
| Net Assets | | |
| Without donor restrictions | 17,443,834 | 17,878,642 |
| With donor restrictions | 531,500 | 178,742 |
| Total net assets | 17,975,334 | 18,057,384 |
| Total liabilities and net assets | $ 18,393,870 | $ 18,387,196 |

*See accompanying notes to financial statements.*

**BALLARD FOOD BANK**

STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2025 and 2024

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Support and Revenue | | | | | | |
| In-kind contributions | $ 9,917,146 | $ - | $ 9,917,146 | $ 8,145,726 | $ - | $ 8,145,726 |
| Contributions | 5,578,368 | 595,500 | 6,173,868 | 4,432,685 | 4,000 | 4,436,685 |
| Government grants | 463,887 | - | 463,887 | 497,723 | - | 497,723 |
| Special events | 250,760 | - | 250,760 | 191,932 | - | 191,932 |
| Special events – cost of direct benefit to donor | (70,872) | - | (70,872) | (36,012) | - | (36,012) |
| Investment return | 325,057 | - | 325,057 | 460,914 | - | 460,914 |
| Net assets released from restrictions | 242,742 | (242,742) | - | 139,028 | (139,028) | - |
| Total support and revenue | 16,707,088 | 352,758 | 17,059,846 | 13,831,996 | (135,028) | 13,696,968 |
| Expenses | | | | | | |
| Program services | 15,616,647 | - | 15,616,647 | 13,781,343 | - | 13,781,343 |
| Management and general | 770,583 | - | 770,583 | 656,149 | - | 656,149 |
| Fundraising | 754,666 | - | 754,666 | 716,099 | - | 716,099 |
| Total expenses | 17,141,896 | - | 17,141,896 | 15,153,591 | - | 15,153,591 |
| **Change in net assets** | **(434,808)** | **352,758** | **(82,050)** | **(1,321,595)** | **(135,028)** | **(1,456,623)** |
| Net Assets, beginning of year | 17,878,642 | 178,742 | 18,057,384 | 19,200,237 | 313,770 | 19,514,007 |
| Net Assets, end of year | $ 17,443,834 | $ 531,500 | $ 17,975,334 | $ 17,878,642 | $ 178,742 | $ 18,057,384 |

*See accompanying notes to financial statements.*

**BALLARD FOOD BANK**

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended September 30, 2025 and 2024

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Program Services | Management and General | Fundraising | Total | Program Services | Management and General | Fundraising | Total |
| Salaries and wages | $ 2,129,261 | $ 379,069 | $ 471,120 | $ 2,979,450 | $ 1,863,619 | $ 316,110 | $ 441,375 | $ 2,621,104 |
| Employee benefits | 281,081 | 41,241 | 53,778 | 376,100 | 168,671 | 28,240 | 39,602 | 236,513 |
| Payroll taxes | 197,460 | 34,918 | 43,465 | 275,843 | 222,583 | 28,775 | 44,341 | 295,699 |
| Total salaries and related | 2,607,802 | 455,228 | 568,363 | 3,631,393 | 2,254,873 | 373,125 | 525,318 | 3,153,316 |
| In-kind food | 9,930,881 | - | - | 9,930,881 | 8,110,567 | - | - | 8,110,567 |
| Food purchases | 1,728,086 | - | - | 1,728,086 | 2,118,857 | - | - | 2,118,857 |
| Emergency financial assistance | 542,115 | 1,184 | - | 543,299 | 545,287 | - | - | 545,287 |
| Depreciation | 296,109 | 3,117 | 12,468 | 311,694 | 279,615 | 2,943 | 11,773 | 294,331 |
| Professional fees | 77,238 | 113,746 | 69,993 | 260,977 | 97,286 | 123,866 | 75,853 | 297,005 |
| Occupancy | 205,811 | 4,460 | 5,519 | 215,790 | 164,422 | 7,699 | 4,758 | 176,879 |
| Supplies | 129,051 | 4,871 | 424 | 134,346 | 118,728 | 1,614 | 180 | 120,522 |
| Information technology | 14,539 | 83,934 | 11,586 | 110,059 | 19,778 | 60,140 | 8,170 | 88,088 |
| Office | 2,331 | 13,155 | 52,156 | 67,642 | 3,001 | 13,568 | 41,195 | 57,764 |
| Insurance | - | 66,171 | - | 66,171 | - | 52,916 | 1,251 | 54,167 |
| Printing and postage | 7,361 | 3,994 | 44,034 | 55,389 | 8,601 | 6,072 | 42,147 | 56,820 |
| Event food, entertainment, and other | - | - | 55,047 | 55,047 | - | - | 39,811 | 39,811 |
| Grants to organizations | 28,000 | - | - | 28,000 | 31,802 | - | - | 31,802 |
| Vehicles, equipment, and maintenance | 22,267 | - | - | 22,267 | 12,679 | 2,501 | 5 | 15,185 |
| Conferences, conventions, and meetings | 3,544 | 15,561 | 1,536 | 20,641 | - | - | - | - |
| Staff and volunteer recognition | 15,378 | 3,698 | 385 | 19,461 | 13,233 | 2,664 | 128 | 16,025 |
| Miscellaneous | 6,134 | 1,464 | 4,027 | 11,625 | 2,614 | 9,041 | 1,522 | 13,177 |
| Total expenses | 15,616,647 | 770,583 | 825,538 | 17,212,768 | 13,781,343 | 656,149 | 752,111 | 15,189,603 |
| Less: Special events – cost of direct benefit to donor | - | - | (70,872) | (70,872) | - | - | (36,012) | (36,012) |
| | $ 15,616,647 | $ 770,583 | $ 754,666 | $ 17,141,896 | $ 13,781,343 | $ 656,149 | $ 716,099 | $ 15,153,591 |

*See accompanying notes to financial statements.*

**BALLARD FOOD BANK**

STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Cash received from: | | |
| Donors | $ 6,526,085 | $ 5,214,282 |
| Interest and dividends | 180,448 | 284,858 |
| Cash paid to: | | |
| Personnel | (2,984,259) | (2,521,690) |
| Suppliers and others | (3,411,722) | (3,635,171) |
| Grantees | (543,299) | (545,287) |
| Net cash flows from operating activities | (232,747) | (1,203,008) |
| Cash Flows from Investing Activities | | |
| Purchase of property and equipment | (20,124) | (59,903) |
| Proceeds from sale of investments | 614,089 | 1,605,336 |
| Purchase of investments | (577,264) | (1,713,663) |
| Net cash flows from investing activities | 16,701 | (168,230) |
| **Net change in cash and cash equivalents** | **(216,046)** | **(1,371,238)** |
| Cash and Cash Equivalents, beginning of year | 2,476,237 | 3,847,475 |
| Cash and Cash Equivalents, end of year | $ 2,260,191 | $ 2,476,237 |

*See accompanying notes to financial statements.*

## Note 1 – Organization and Summary of Significant Accounting Policies

Ballard Food Bank (the Organization) is a nonprofit organization established in the 1970s to assist individuals and families in maintaining self-sufficiency by providing assistance for basic needs. The Organization provides a food bank, meal program, and a community resource hub. Anyone living in Seattle may visit the food bank to shop for free groceries in the market-style food bank or a nutritious hearty meal at the Kindness Cafe. The Organization serves as a community resource hub by helping clients navigate resources in the community and connecting them to partner agencies they can see on site or a warm connection to a partner agency for an off-site visit. In addition, clients can receive vouchers to obtain State of Washington identification cards. Through these collaborative partnerships, the Organization works to reduce the barriers clients experience in accessing critical resources and help clients move toward self-sufficiency. For households living in the neighborhoods of Magnolia, Queen Anne, Ballard, Fremont, Phinney Ridge, Greenwood, Green Lake, and Licton Springs and parts of South Lake Union, additional services are available, including home delivery, Weekend Food for Kids, and emergency financial assistance for utilities and housing.

For the year ended September 30, 2025, the Organization distributed more than 4.5 million pounds of food. Due to COVID, inflation, and the rollback of federal benefits, such as SNAP, the organization experienced exponential growth, averaging 3,200 per month before COVID and now averaging 10,600 per month. Between October 2024 and September 2025, the Organization had approximately 127,212 visits and deliveries. The Organization's Kindness Café provided approximately 149,880 meals. The Organization distributed approximately 23,487 bags of food to approximately 610 students in the Seattle area. The Organization's Community Resource Hub had a total of approximately 14,693 client touchpoints through its staff team and community partners. The Organization also provided more than $540,695 in financial assistance, which includes rental assistance to prevent homelessness, rent deposits, utility assistance, and ID License vouchers. The Organization's efforts have been focused on meeting the increased need and expanding access to food and critical services.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

*Financial Statement Presentation*

The financial statements have been prepared on the accrual basis of accounting to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization are reported in each of the following two classes: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are available without restriction for support of the Organization's operations. The Board of Directors has designated the following net assets without donor restrictions at September 30:

| | 2025 | 2024 |
|---|---|---|
| Operating reserve | $ 2,978,943 | $ 2,871,159 |
| Building fund | 500,000 | 500,000 |
| | $ 3,478,943 | $ 3,371,159 |

Board-designated net assets consist of investments as classified on the statements of financial position.

Some net assets with donor restrictions are temporary in nature and consist of unexpended contributions and grants restricted for particular programs or time periods. Net assets with temporary donor restrictions are transferred to net assets without donor restrictions as expenditures are incurred for the restricted programs or as the time restrictions are met. Net assets with donor restrictions are as follows at September 30:

| | 2025 | 2024 |
|---|---|---|
| Time restrictions | $ 340,000 | $ 54,742 |
| Vice President of People & Culture position | 104,000 | - |
| Case managers | 80,000 | 120,000 |
| Veterans, seniors, & human services | 7,500 | - |
| DEI/capacity training | - | 4,000 |
| | $ 531,500 | $ 178,742 |

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions are reported as reclassifications between the applicable classes of net assets.

Contributions that the donor requires to be used to acquire long-lived assets (e.g., land acquisition, building construction and improvements, furniture, fixtures, and equipment) are reported as net assets with donor restrictions. When the long-lived asset is placed into service, the Organization reflects the expiration of the donor-imposed restriction as a reclassification included in net assets released from restrictions.

*Cash and Cash Equivalents*

The Organization considers all cash accounts and money market funds to be cash equivalents except when such assets are invested within the Organization's investment portfolio. At times, amounts may exceed federally insured limits. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

*Contributions Receivable and Revenue*

Unconditional promises to give (contributions receivable), including those received at special events, are recognized as revenues in the period the unconditional pledge is received. Contributions receivable are recorded at net realizable value and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management does not believe an allowance for uncollectible amounts is necessary at September 30, 2025 or 2024.

Noncurrent contributions receivable are expected to be collected within one to five years and are recorded at net present value. Management has not recognized a discount on these balances at September 30, 2025, as the amount would not be material to the financial statements.

*Food Inventory and In-kind Food Contributions*

Food inventory consists entirely of unused donated food that will be provided to persons in need. Food inventory is stated at the lower of cost or net realizable value. Cost is estimated based on the fair value for donated goods at the time of donation, which is recognized based on the dollar value per pound of food established by the State of Washington Emergency Food Assistance Program. The valuation was $2.16/lb. through July 1, 2025, and $2.25/lb. thereafter. The total value of donated food for the years ended September 30, 2025 and 2024, was $9,917,146 and $8,145,726, respectively, and is included in in-kind contribution revenue on the statement of activities.

*Fair Value Measurements*

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable market inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

*Investments and Investment Return*

Investments in mutual funds are stated at fair value using Level 1 inputs in the fair value hierarchy (observable market inputs such as quoted prices in active markets for identical assets). Investment return is reported in the statement of activities and consists of interest and dividend income and realized and unrealized gains and losses, net of external investment fees.

Investments (held for Board-designated purposes) are composed of the following at September 30:

| | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | $ 1,379,561 | $ 2,099,020 |
| Equities | 807,745 | - |
| Equity mutual funds | 416,228 | 573,362 |
| Bond mutual funds | 857,355 | 698,777 |
| REITs | 18,054 | - |
| | $ 3,478,943 | $ 3,371,159 |

*Property and Equipment*

The Organization capitalizes assets with a cost greater than $5,000 and a useful life greater than one year. Purchased property and equipment is recorded at cost. Donated property and equipment is recorded at fair value when received. Depreciation of vehicles and equipment is computed using the straight-line method based on estimated useful lives of the assets, ranging from three to seven years. Buildings are depreciated over an estimated useful life of 39 years.

Property and equipment consist of the following at September 30:

| | 2025 | 2024 |
|---|---|---|
| 1400 Leary Building | $ 7,974,298 | $ 7,974,298 |
| Equipment | 387,899 | 372,227 |
| Vehicles | 280,907 | 247,187 |
| | 8,643,104 | 8,593,712 |
| Less: Accumulated depreciation | (1,215,533) | (925,288) |
| | 7,427,571 | 7,668,424 |
| Land – 1400 Leary | 4,383,384 | 4,383,384 |
| | $ 11,810,955 | $ 12,051,808 |

*Impairment of Long-Lived Assets*

Financial Accounting Standards Board Accounting Standards Codification 360, *Property, Plant and Equipment* requires the Organization to review long-lived assets, such as fixed assets and leasehold improvements, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the excess carrying amount. There were no impairments recognized during the years ended September 30, 2025 and 2024.

*Government Grant Revenue*

Revenues from government grants are recognized when the grant becomes unconditional (generally when the related qualified expenditure is incurred). Revenue from government agencies is subject to audit, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the years ended September 30, 2025 and 2024, no such adjustments were made.

*In-Kind Contributions (non-food)*

Volunteers have donated substantial amounts of their time to the Organization's programs. In accordance with generally accepted accounting principles, such amounts are not recognized in the financial statements unless the services create or enhance a non-financial asset (e.g., property, plant, and equipment) or unless the services would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. No such in-kind services were received during the years ended September 30, 2025 and 2024.

*Income Taxes*

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

*Allocation of Functional Expenses*

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square-footage basis, as well as salaries and related expenses, professional fees, supplies, and other, which are allocated on the basis of estimates of time and effort.

*Reclassifications*

Certain balances on the prior year statement of cash flows have been reclassified to conform to the current year presentation.

*Subsequent Events*

Management of the Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was February 26, 2026.

**Note 2 – Liquidity and Availability of Resources**

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects the Organization's financial assets as of September 30, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal Board designations. Amounts not available include contributions receivable not collectible within the next year and Board-designated funds that are intended to fund special initiatives not considered in the annual operating budget. In the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution. Net assets with donor restrictions for purposes are included in contributions receivable and are considered available for general use, as those purposes are within the scope of the Organization's major programs.

| | 2025 | 2024 |
|---|---|---|
| Financial assets: | | |
| Cash and cash equivalents | $ 2,260,191 | $ 2,476,237 |
| Contributions receivable | 633,973 | 271,543 |
| Board-designated investments | 3,478,943 | 3,371,159 |
| | 6,373,107 | 6,118,939 |
| Amounts not available for general use within one year: | | |
| Contributions receivable not expected to be collected within one year | (275,000) | - |
| Board-designated investments | (3,478,943) | (3,371,159) |
| | $ 2,619,164 | $ 2,747,780 |