Financial Report

Second Harvest Food Bank of Greater New Orleans and Acadiana

New Orleans, Louisiana

June 30, 2025

SECOND HARVEST FOOD BANK

TOGETHER WE CAN SOLVE HUNGER.™

Bourgeois Bennett

CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

A LIMITED LIABILITY COMPANY

Financial Report

Second Harvest Food Bank of Greater New Orleans and Acadiana

New Orleans, Louisiana

June 30, 2025

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New Orleans, Louisiana

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INDEPENDENT AUDITOR'S REPORT

To Most Reverend Gregory Aymond, Archbishop
and Board of Directors,
Second Harvest Food Bank of Greater New Orleans and Acadiana,
New Orleans, Louisiana.

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of Second Harvest Food Bank of Greater New Orleans and Acadiana ("Second Harvest"), 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 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 Second Harvest as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 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 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.

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

- Identify and assess the risks of material misstatements 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 audits 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'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'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.

Restatement

As discussed in Note 3 to the financial statements, management of Second Harvest discovered two matters during the year ended June 30, 2025 that require the restatement of the financial statements for the year ended June 30, 2024. Accordingly, the amounts reported have been restated on the June 30, 2024 financial statements now presented, and an adjustment has been made to net assets as of June 30, 2024. Our opinion is not modified with respect to this matter.

Reports on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information in Schedule 1 is presented for the purposes of additional analysis and is not a required part of the financial statements. The information in Schedule 1 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on the supplemental information in Schedule 1. The supplemental information in Schedule 1 is not intended to present Second Harvest's financial position and results of operations. The supplementary information in Schedule 2 is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedule 2 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedule 2 is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of Second Harvest's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 29, 2025.

STATEMENTS OF FINANCIAL POSITION

Second Harvest Food Bank of Greater New Orleans and Acadiana

New Orleans, Louisiana

June 30, 2025 and 2024

ASSETS

	2025	2024 (As Restated)
Current Assets		
Cash and cash equivalents	$ 5,832,378	$ 8,214,655
Contributions receivable:		
Pledges receivable, net	1,169,544	1,235,375
United Way	170,000	207,633
Grants receivable, net	2,586,784	4,650,929
Notes receivable, net	-	31,607
Other receivables, net	356,268	864,000
Prepaid and other assets	107,106	269,908
Investments	28,876,440	32,027,625
Inventory	7,295,269	7,800,402
Total current assets	46,393,789	55,302,134
Noncurrent Assets		
Receivables, noncurrent, net	113,973	675,759
Property and equipment, net	30,410,206	29,352,133
Finance lease right-of-use assets, net	7,917,953	1,980,246
Operating lease right-of-use assets	137,177	188,394
Investments	1,651,436	1,388,073
Other assets	75,083	81,195
Total noncurrent assets	40,305,828	33,665,800
Total assets	$ 86,699,617	$ 88,967,934

See notes to financial statements.

LIABILITIES AND NET ASSETS

	2025	2024 (As Restated)
Current Liabilities		
Accounts payable and accrued expenses	$ 5,181,009	$ 2,660,427
Undistributed commodities	5,116,143	4,083,425
Finance lease obligations, current	913,042	482,811
Operating lease obligations, current	58,176	58,176
Total current liabilities	11,268,370	7,284,839
Noncurrent Liabilities		
Finance lease obligations, net of current portion	3,489,894	1,571,520
Operating lease obligations, net of current portion	79,001	130,218
Total liabilities	14,837,265	8,986,577
Net Assets		
Without donor restrictions:		
Designated	30,432,672	26,627,828
Undesignated	34,812,020	47,657,747
Total net assets without donor restrictions	65,244,692	74,285,575
With donor restrictions	6,617,660	5,695,782
Total net assets	71,862,352	79,981,357
Total liabilities and net assets	$ 86,699,617	$ 88,967,934

STATEMENT OF ACTIVITIES

Second Harvest Food Bank of Greater New Orleans and Acadiana

New Orleans, Louisiana

For the year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Public support:			
Donations of food, grocery, and other products from producers and brokers	$ 41,171,043	$ -	$ 41,171,043
Contributions, donations, and grants	9,309,492	3,585,757	12,895,249
Contributed goods and services	95,096	-	95,096
United Way allocations:			
Southeast Louisiana	-	142,354	142,354
Southwest Louisiana	-	20,000	20,000
St. John	103,690	-	103,690
St. Charles	105,698	-	105,698
Acadiana	56,889	-	56,889
New Orleans	50,000	-	50,000
Other	23,408	-	23,408
Special events	353,890	-	353,890
Total public support	51,276,852	3,748,111	55,024,963
Governmental financial assistance:			
U.S.D.A. commodities	22,219,762	-	22,219,762
U.S.D.A. administration	1,653,094	-	1,653,094
Fees and grants from other federal agencies	5,958,587	-	5,958,587
Non-Federal fees and grants	3,338,970	-	3,338,970
Total governmental financial assistance	33,170,413	-	33,170,413

	Without Donor Restrictions	With Donor Restrictions	Totals
Other Revenue			
Program generated	2,202,646		2,202,646
Investment income	2,871,168	364,096	3,235,264
Rental income	77,898	-	77,898
Loss on disposal of assets	(71,045)	-	(71,045)
Other	52,283	-	52,283
Net assets released from restrictions	3,190,329	(3,190,329)	-
Total other revenue	8,323,279	(2,826,233)	5,497,046
Total revenue	92,770,544	921,878	93,692,422
Expenses			
Program services	94,544,061	-	94,544,061
Management and general	3,984,228	-	3,984,228
Fundraising	3,283,138	-	3,283,138
Total expenses	101,811,427	-	101,811,427
Change in Net Assets	(9,040,883)	921,878	(8,119,005)
Net Assets			
Beginning of year	74,285,575	5,695,782	79,981,357
End of year	$ 65,244,692	$ 6,617,660	$ 71,862,352

See notes to financial statements.

STATEMENT OF ACTIVITIES

Second Harvest Food Bank of Greater New Orleans and Acadiana

New Orleans, Louisiana

For the year ended June 30, 2024
(As Restated)

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Public support:			
Donations of food, grocery, and other products from producers and brokers	$ 38,723,236	$ -	$ 38,723,236
Contributions, donations, and grants	10,014,599	1,616,760	11,631,359
Contributed goods and services	359,211	-	359,211
United Way			
Southeast Louisiana:			
Allocations	-	150,000	150,000
Designations	64,233	-	64,233
St. Charles - allocations	-	30,000	30,000
St. John - allocations	35,000	-	35,000
Other - allocations	20,906	-	20,906
Special events	522,496	-	522,496
Total public support	49,739,681	1,796,760	51,536,441
Governmental financial assistance:			
U.S.D.A. commodities	28,358,118	-	28,358,118
U.S.D.A. administration	2,016,376	-	2,016,376
Fees and grants from other federal agencies	7,539,185	68,928	7,608,113
Non-Federal fees and grants	810,661	-	810,661
Total governmental financial assistance	38,724,340	68,928	38,793,268

	Without Donor Restrictions	With Donor Restrictions	Totals
Other Revenue			
Program generated	1,865,170	-	1,865,170
Investment income	3,475,130	190,061	3,665,191
Other	50,932	-	50,932
Net assets released from restrictions	2,894,686	(2,894,686)	-
Total other revenue	8,285,918	(2,704,625)	5,581,293
Total revenue	96,749,939	(838,937)	95,911,002
Expenses			
Program services	91,486,800	-	91,486,800
Management and general	3,400,129	-	3,400,129
Fundraising	3,186,331	-	3,186,331
Total expenses	98,073,260	-	98,073,260
Change in Net Assets	(1,323,321)	(838,937)	(2,162,258)
Net Assets			
Beginning of year	75,608,896	6,534,719	82,143,615
End of year	$ 74,285,575	$ 5,695,782	$ 79,981,357

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Second Harvest Food Bank of Greater New Orleans and Acadiana
New Orleans, Louisiana

For the year ended June 30, 2025

	Program Services	Management and General	Fundraising	Totals
Salaries	$ 6,578,841	$ 1,527,089	$ 1,362,809	$ 9,468,739
Employee benefits and taxes	1,598,020	665,356	258,723	2,522,099
Personnel development and recruitment	333,250	236,070	31,520	600,840
Total salaries and related expenses	8,510,111	2,428,515	1,653,052	12,591,678
Food distribution	75,853,332	-	-	75,853,332
Other operating expenses	1,829,455	422,470	211,922	2,463,847
Professional fees and contract services	982,992	791,572	433,151	2,207,715
Depreciation and amortization	1,917,575	146,900		2,064,475
Occupancy	1,661,335	9,239	(493)	1,670,081
Transportation and freight	1,597,059	5,746	8,224	1,611,029
Mailings and solicitations	453,466	-	815,845	1,269,311
Equipment expenses	597,612	145,417	584	743,613
Supplies	632,197	32,714	39,790	704,701
Insurance	508,819	1,500	28	510,347
Special events	108	155	121,035	121,298
Total expenses	$ 94,544,061	$ 3,984,228	$ 3,283,138	$ 101,811,427

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Second Harvest Food Bank of Greater New Orleans and Acadiana

New Orleans, Louisiana

For the year ended June 30, 2024
(As Restated)

	Program Services	Management and General	Fundraising	Totals
Salaries	$ 5,087,227	$ 1,287,865	$ 1,292,105	$ 7,667,197
Employee benefits and taxes	1,387,125	380,383	270,310	2,037,818
Personnel development and recruitment	255,123	387,061	23,431	665,615
Total salaries and related expenses	6,729,475	2,055,309	1,585,846	10,370,630
Food distribution	76,588,978	-	-	76,588,978
Other operating expenses	1,261,891	241,681	186,346	1,689,918
Professional fees and contract services	585,328	880,431	532,985	1,998,744
Depreciation and amortization	1,707,680	93,144	-	1,800,824
Occupancy	1,282,555	-	245	1,282,800
Transportation and freight	923,643	7,495	12,244	943,382
Mailings and solicitations	594,815	-	707,630	1,302,445
Equipment expenses	504,045	103,587	5,259	612,891
Supplies	774,298	18,482	39,512	832,292
Insurance	533,056	-	61	533,117
Special events	1,036	-	116,203	117,239
Total expenses	$ 91,486,800	$ 3,400,129	$ 3,186,331	$ 98,073,260

See notes to financial statements.

STATEMENTS OF CASH FLOWS

Second Harvest Food Bank of Greater New Orleans and Acadiana
New Orleans, Louisiana

For the years ended June 30, 2025 and 2024

	2025	2024 (As Restated)
Cash Flows From Operating Activities		
Change in net assets	$ (8,119,005)	$ (2,162,258)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Receipts of donated product and U.S.D.A. commodities	(63,390,805)	(67,081,354)
Distributions of donated product and U.S.D.A. commodities	63,875,863	66,819,249
Depreciation	1,588,974	1,392,818
Amortization	475,501	408,006
Unrealized and realized gains on investments, net	(1,964,807)	(1,809,152)
(Gain) loss on sale of assets	71,045	(200)
Credit losses	984,229	159,402
Revenues restricted for the acquisition of property and equipment:		
Capital campaign contributions	(638,146)	(393,066)
Donated investments	(245,808)	(161,556)
Changes in assets and liabilities:		
Receivables and pledges	1,691,088	(3,815,208)
Other assets	6,112	(41,887)
Prepaid expenses	162,802	(96,853)
Inventory	1,052,793	(959,235)
Accounts payable and accrued expenses	2,836,646	725,065
Net cash used in operating activities	(1,613,518)	(7,016,229)
Cash Flows From Investing Activities		
Purchases of investments	(1,734,894)	(6,879,076)
Proceeds from sale of investments	6,833,331	22,019,474
Right-of use asset purchases	(3,639,185)	-
Purchases of property and equipment	(2,547,474)	(3,268,858)
Proceeds from sale of property and equipment	3,941	200
Net cash provided by (used in) investing activities	(1,084,281)	11,871,740

Exhibit D
(Continued)

	2025	2024 (As Restated)
Cash Flows From Financing Activities		
Collections of capital campaign contributions restricted for the acquisition of property and equipment	1,231,563	1,285,355
Repayments of finance lease obligation	(425,418)	(355,054)
Payment of accounts payable used to finance acquisition of property and equipment	(490,623)	(764,476)
Net cash provided by financing activities	315,522	165,825
Net Increase (Decrease) in Cash and Cash Equivalents	(2,382,277)	5,021,336
Cash and Cash Equivalents		
Beginning of year	8,214,655	3,193,319
End of year	$ 5,832,378	$ 8,214,655
Supplemental Disclosure for Cash Flow Information		
Cash paid during the year for interest	$ 176,934	$ 169,544
Supplemental Disclosure of Noncash Investing and Financing Activities		
Accounts receivable converted to notes receivable	$ -	$ 147,607
Property and equipment purchases included in accounts payable	$ 174,559	$ 490,623
Finance right-of-use assets obtained in exchange for new finance lease obligations	$ 2,774,023	$ 959,072
Operating right-of-use assets obtained in exchange for new operating lease obligations	$ -	$ 64,328

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Second Harvest Food Bank of Greater New Orleans and Acadiana

New Orleans, Louisiana

June 30, 2025 and 2024

Note 1 - NATURE OF ACTIVITIES

Second Harvest Food Bank of Greater New Orleans and Acadiana ("Second Harvest"), a Louisiana non-profit corporation, is a ministry of the Roman Catholic Church of the Archdiocese of New Orleans and is a certified member of Feeding America. Its mission is to lead the fight against food insecurities and build food security in South Louisiana by providing food access, advocacy, education and disaster response. Second Harvest provides distribution of food and related products to qualified charitable organizations. The Archbishop or Administrator of the Archdiocese of New Orleans (the "Archdiocese") is the sole member of Second Harvest.

The following programs are provided by Second Harvest:

Food Distribution - Second Harvest is dedicated to ending hunger in Louisiana through various efforts such as food distributions. Every month, Second Harvest supplies food to combat hunger insecurity throughout local communities across South Louisiana, from Greater New Orleans to the Bayou Region to Acadiana and Southwest Louisiana. With resources and an essential partner network of 450+ partner organizations, Second Harvest helps make more than 43 million pounds of groceries possible year-round for those most vulnerable to hunger. With warehouses in New Orleans and Lafayette, Second Harvest distributes over 39 million pounds of food and groceries a year.

Mobile and School Pantries - A mobile pantry is a traveling food truck that brings fresh produce and other perishable foods directly to people living in places where such resources are scarce. Each day at multiple locations, Second Harvest's mobile pantries provide families with 3-5 days' worth of groceries comprising both perishable and non-perishable foods. Additionally, Second Harvest's School Pantry Program alleviates child hunger by reaching children and their families at school - one of the most accessible and safe locations.

Note 1 - NATURE OF ACTIVITIES (Continued)

Summer Feeding and Kids Café - The Kids Café and Summer Feeding Program offers schools, community centers, camps and other childcare facilities access to hot meals and healthy snacks when school meals are not available. Meals are prepared fresh in Second Harvest's kitchen, delivered free of charge, and meet or exceed USDA nutritional guidelines. Second Harvest's kitchen is the largest Summer Food Service sponsor in Louisiana, serving the children that need it most. Both Kids Café and Summer Feeding are offered through a partnership with the Department of Education and the USDA, as part of the Child Nutrition Act.

Senior Café - The Senior Café prepares and distributes freshly made meals daily to senior centers. Seniors represent 25% of the people served by Second Harvest. In addition to the food distribution program, Second Harvest operates a Senior Café program that prepares and distributes freshly made, wholesome meals daily to senior centers throughout Greater New Orleans. Accommodations are made for individuals with limited feeding abilities and special dietary restrictions. The menu is selected to reflect the traditions of the region's cuisine while adhering to the unique nutritional needs of a senior population.

Backpack Program - The Backpack Program is designed to reduce childhood hunger by bridging the gap between the school day and the weekend or school holiday. Children who receive free or reduced-price school breakfast and lunch may not have enough food at home to escape hunger when school is not in session. In response, Second Harvest provides backpacks full of healthy foods directly to at-risk children at the end of the week.

Client Services - The Client Services team provides one-on-one case management, both in person and over the phone, to thousands of individuals and families across South Louisiana. Second Harvest's bilingual staff and volunteers are available to listen and troubleshoot with community members. Second Harvest begins each conversation with the question: how can we help? Second Harvest then tailors services to the needs of the individual. Second Harvest's team is trained to help the customers access resources that will help move them along the path toward self-sufficiency, until they no longer need to rely on a food pantry or SNAP benefits to put food on the table.

Commodity Supplemental Food Program (CSFP) - Second Harvest operates CSFP which works to improve the health of low-income individuals at least 60 years of age by supplementing their diets with nutritious USDA foods.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements of Second Harvest are prepared on the accrual basis of accounting.

b. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

c. Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, Second Harvest considers all unrestricted, highly liquid, short-term investments, including money market account deposits, commercial paper investments, and certificates of deposit purchased with an initial maturity of 90 days or less to be cash equivalents.

d. Allowance for Credit Losses

Second Harvest 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 which 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.

The following table summarizes the related allowance for credit losses for accounts receivable as of June 30, 2025 and 2024:

	2025	2024
Balance, beginning of period	$ 43,402	$ -
Credit losses expense	984,229	43,402
Write-offs, net of recoveries	(155,607)	-
Balance, end of period	$ 872,024	$ 43,402

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Investments

Second Harvest records investments in mutual funds held with separate brokerage firms, private equities in two limited partnerships with PA Co-Investment Fund V (Offshore), L.P. and Twin Bridge Narrow Gate Fund II, L.P., and in the investment pool with the Catholic Community Foundation of the Archdiocese of New Orleans (the "Foundation") at their fair market values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Unrealized gains and losses on investments are recorded as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Interest earned on donor restricted investments is reported based on the existence or absence of donor-imposed restrictions. Realized gains and losses on the sales of securities are determined using the specific-identification method. A decline in the fair value of investments below cost that is deemed to be other than temporary, results in a charge to the change in net assets and the establishment of a new cost basis for the investment.

Investments held with the Foundation are included with the investments of the various agencies of the Archdiocese that are held in pooled assets and separately invested portfolios with the Foundation. Pooled assets represent funds that are invested in a commingled portfolio of investments, as opposed to separately invested assets. Investments in such pooled assets consist primarily of debt and equity securities and mutual fund investments.

f. Fair Value Measurements

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, "*Fair Value Measurements and Disclosures*", defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments.

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC Topic 820, *Fair Value Measurements*, are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Second Harvest has the ability to access.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Fair Value Measurements (Continued)

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2025 and 2024.

- *Mutual Funds*: Second Harvest uses the market approach for valuing mutual funds which are within Level 1 of the fair value hierarchy. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.
- *U.S. Government Obligations*: Valued at the closing price reported on the active market on which the obligations are traded.
- *Private Equity Funds*: Valued at net asset value (NAV). The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Because of the inherent uncertainty of valuations, the estimated fair values may differ from the fair values that would have been used had a ready market for these investments existed, and the differences could be material.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Fair Value Measurements (Continued)

- *Pooled Investments with the Foundation*: Certain investments of Second Harvest are held in pooled assets managed by the Foundation. The investments are valued on information provided by the Foundation. These investments are reported at NAV, which approximates fair value and have no lockup provisions. Investments measured at fair value using the NAV practical expedient have not been categorized in the fair value hierarchy and have no fixed redemption frequency, notice periods, or unfunded commitments.

The methods described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Second Harvest believes its valuation methods are appropriate and consistent with those of 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.

g. Inventory

Second Harvest's inventory is comprised of donated food and grocery products, U.S.D.A. commodities, and purchased food and grocery products. Donated food and U.S.D.A. commodities inventory, including food received, distributed and undistributed, is valued using the estimated fair value as determined by the Feeding America Product Valuation Survey prepared by KPMG, LLP on an annual basis. The report provides the average wholesale value of products donated to the network and is considered to be a reasonable basis upon which to estimate these amounts. The average wholesale value used was $1.90 and $1.97 per pound for assorted donations and $1.72 and $1.74 per pound for food only donations for the years ended June 30, 2025 and 2024, respectively.

Second Harvest receives pass-through food commodities from the Louisiana Department of Health and Hospitals to administer and distribute as part of its Commodity Supplemental Food Program for seniors. Legal title to the food products related to this program does not pass to Second Harvest, however FASB ASC 958-605 permits the value of the food received to be reported as inventory with a corresponding liability on the Statements of Financial Position. The value of the food received or distributed to program beneficiaries is not recorded as a contribution or distribution in the financial statements in accordance with FASB ASC 958-605.

Purchased food inventory is recorded at cost. As of June 30, 2025 and 2024, there was no obsolete inventory.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Property and Equipment

Purchased property and equipment is stated at cost. Donated property and equipment is stated at fair market value on the date of donation. Depreciation of these assets is provided over their estimated useful lives, which ranges from three years to 50 years, on a straight-line basis. Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments are capitalized.

For the years ended June 30, 2025 and 2024, depreciation expense totaled $1,588,974 and $1,392,818 respectively.

i. Right-of-Use Asset and Lease Liabilities

Right-of-use (ROU) assets represent Second Harvest's right to use the underlying assets for the lease term, and lease liabilities represent the net present value of Second Harvest's obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using Second Harvest's incremental borrowing rate on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain Second Harvest will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. Finance lease expense is recognized as amortization of the right-of-use asset and interest expense. As permitted by ASC 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying Statements of Financial Position.

Second Harvest has lease agreements with lease and non-lease components, which are accounted for as a single lease component under the practical expedient provisions of the standard.

The weighted-average discount rate is based on the discount rate implicit in the lease. Second Harvest has elected the option to use the incremental borrowing rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

j. Financial Statement Presentation

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

Net Assets Without Donor Restrictions - Support, revenue, and expenses for general operations.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Financial Statement Presentation (Continued)

Net Assets With Donor Restrictions - Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period or contributions subject to donor-imposed restrictions and that are to be held in perpetuity by Second Harvest.

k. Contributions and Revenue Recognition

Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. Other support and/or contributions not restricted are recorded as net assets without donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as support without donor restrictions. The value of contributed goods and services has been recorded as revenue and other support in the period received, provided there is an objective basis for measurement of the value of such goods and services, and they are significant and form an integral part of the efforts of the program.

Contributions receivables are recognized when the donor makes a promise to give to Second Harvest that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of June 30, 2025, there were $234,370 in conditional promises to give. There were no conditional promises to give as of June 30, 2024.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Such donations are reported as support without donor restrictions unless the donor has restricted the donated assets for a specific purpose. Second Harvest recorded donated investments totaling $245,808 and $161,556 for the years ended June 30, 2025 and 2024, respectively.

l. Functional Allocation of Expenses

Most of the expenses can be directly allocated to programs or supporting functions. The financial statements also report certain categories of expenses that are attributable to both programs and supporting functions. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, and taxes which are allocated based on the number of employees by program or supporting function and mailings and solicitations which are allocated based on the portion attributable to each function.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Donated Services

Support arising from donated services is recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation.

The donated volunteer services in Second Harvest's functional areas were 86,567 hours for the year ended June 30, 2025 and 64,659 hours for the year ended June 30, 2024. The services provided for the years ended June 30, 2025 and 2024 do not meet either criterion described above. The computation of the value of these services represents the amount of compensation which would be paid if non-volunteer personnel were to occupy these positions. The 86,567 hours for the year ended June 30, 2025 and 64,659 hours for the year ended June 30, 2024 that do not meet either of the recognition criteria described above have not been recognized in the accompanying financial statements. The value for donated volunteer services for the years ended June 30, 2025 and 2024 was $2,522,567 and $1,855,707, respectively.

n. Income Taxes

Second Harvest operates as a non-profit corporation pursuant to section 501(c)(3) of the Internal Revenue Code. As such, Second Harvest is subject to income tax only on unrelated business taxable income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2025, management of Second Harvest believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2022 and later remain subject to examination by the taxing authorities.

o. Reclassifications

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

p. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 29, 2025, which is the date the financial statements were available to be issued.

Note 3 - RESTATEMENT AND RECLASSIFICATION

During the year ended June 30, 2025, Second Harvest discovered that inventory warehoused and maintained by Second Harvest that belonged to various Archdiocese schools was incorrectly recorded by Second Harvest. In addition, inventory received and distributed that related to the Commodity Supplemental Food Program for seniors was incorrectly recorded as contributions and food distribution expenses.

	As Previously Reported	Corrections	As Restated
As of June 30, 2024			
Inventory	$ 8,732,514	$ (932,112)	$ 7,800,402
Undistributed commodities	$ -	$ 4,083,425	$ 4,083,425
Net assets - Undesignated	$ 45,701,014	$ (5,015,537)	$ 40,685,477
Revenue and Other Support			
Public support:			
Donations of food, grocery, and other products from producers and brokers	$ 43,481,717	$ (4,758,481)	$ 38,723,236
Government financial assistance: U.S.D.A. commodities	$ 32,441,543	$ (4,083,425)	$ 28,358,118
Expenses			
Program services	$ 96,342,126	$ (4,855,326)	$ 91,486,800

	Without Donor Restrictions	With Donor Restrictions
As of June 30, 2023		
Net assets as previously reported:	$ 52,182,473	$ 30,990,099
Correction of error	(1,028,957)	-
Reclassification	24,455,380	(24,455,380)
Totals	$ 75,608,896	$ 6,534,719

Certain net assets with donor restrictions are being reclassified based on the donors original intent.

Note 4 - GRANTS RECEIVABLE

The grants receivable balances as of June 30, 2025 and 2024 consist of the following:

	2025	2024
Louisiana legislative appropriations	$ 628,339	$ -
Department of Education -		
Summer Food Service Program	418,629	312,626
Other grants	339,424	436,439
Commodity supplemental food program	267,529	-
Feeding Louisiana	212,489	3,269,514
Feeding America	200,000	120,000
U.S.D.A.:		
Distribution fees	189,218	252,856
Emergency food assistance program	187,635	-
Family Services	143,521	149,709
Methodist Health System	-	100,000
CARES/Emergency Food and		
Shelter Program	-	49,785
Totals	2,586,784	4,690,929
Less noncurrent	-	(40,000)
Grants receivable current	$ 2,586,784	$ 4,650,929

Grants receivable balances are predominantly comprised of amounts currently due from federal, state, and local governments.

Note 5 - PLEDGES RECEIVABLE

Promises of donors to make contributions to Second Harvest are included in the financial statements as pledges receivable and contributions after discounting projected future cash flows to present value using a discount rate of 5% as determined by management to be a market rate of interest.

Pledges receivable as of June 30, 2025 and 2024 consist of the following:

	2025	2024
In less than one year	$ 1,169,544	$1,235,375
One to five years	120,000	670,000
Totals	1,289,544	1,905,375
Unamortized discount	(6,027)	(34,241)
Net pledges receivable	$ 1,283,517	$1,871,134

Note 5 - PLEDGES RECEIVABLE (Continued)

Second Harvest started a capital campaign during the year ended June 30, 2019 to help fund capacity-building improvements and renovations to its existing food warehouse in New Orleans. The pledges receivable balance includes approximately $1,257,000 and $1,865,000 of capital campaign pledges before the unamortized discount as of June 30, 2025 and 2024, respectively.

Note 6 - NOTES RECEIVABLE

During the year ended June 30, 2024, Second Harvest converted accounts receivable balances from an agency to six notes receivable. The notes bear interest at 5.00% payable at maturity. The notes had maturity dates ranging from August 21, 2024 to December 31, 2024. Notes receivable net of allowance of $116,000 was $31,607 as of June 30, 2024. Interest income accrued related to the notes was $8,000 and $2,607 for the years ended June 30, 2025 and 2024, respectively. During the year ended June 30, 2025, the balance of $155,607 was deemed uncollectible and written-off.

Note 7 - INVESTMENTS

The following summarizes the market value of investments and the investment return as of and for the years ended June 30, 2025 and 2024:

	2025	2024
Investments:		
Pooled assets held with the Foundation	$ 9,208,278	$ 9,442,733
Mutual funds	16,280,834	18,483,880
U.S. government obligations	4,512,194	5,489,085
Private equity funds	526,570	-
Totals	$30,527,876	$33,415,698
Unrealized gain on investments	$ 2,123,882	$ 3,461,369
Realized loss on investments	(159,075)	(1,652,217)
	1,964,807	1,809,152
Interest and dividend income	1,270,457	1,856,039
Investment income	$ 3,235,264	$ 3,665,191

The current and long-term values of investments are $28,876,440 and $1,651,436, respectively, as of June 30, 2025, and $32,027,625 and $1,388,073, respectively, as of June 30, 2024.

Note 8 - FAIR VALUE MEASUREMENTS

The following tables set forth by level within the fair value hierarchy Second Harvest's investments as of June 30, 2025 and 2024:

	Based on			
Description	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	2025 Totals
Mutual funds	$ 16,280,834	$ -	$ -	$ 16,280,834
U.S. government obligations	4,512,194	-	-	4,512,194
Totals	$ 20,793,028	$ -	$ -	20,793,028
Investments measured at net asset value				9,734,848
Investments, at fair value				$ 30,527,876

	Based on			
Description	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	2024 Totals
Mutual funds	$ 18,483,880	$ -	$ -	$ 18,483,880
U.S. government obligations	5,489,085	-	-	5,489,085
Totals	$ 23,972,965	$ -	$ -	23,972,965
Investments measured at net asset value				9,442,733
Investments, at fair value				$ 33,415,698

As of June 30, 2025 and 2024, there were no assets measured at fair value on a non-recurring basis.

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

Fair Value of Investments that Calculate Net Asset Value

The following table summarizes the investments measured at fair value based on NAV as of June 30, 2025:

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
June 30, 2025				
Private Equity Fund				
Valued at NAV [(a)]	$526,570	$540,962	See (a)	See (a)

(a) *The portfolio investments can never be redeemed as each portfolio investment is in a closed-end vehicle. Instead, distributions are received through the liquidation of the underlying assets of the fund. It is estimated that the underlying assets of the fund would be liquidated over ten years.*

Note 9 - INVENTORY

Undistributed food and grocery products as of June 30, 2025 and 2024 consist of the following:

	2025		2024	
	Dollars	Pounds	Dollars	Pounds
Donated commodities	$ 1,318,680	1,055,678	$ 2,720,794	1,613,237
U.S.D.A. commodities				
TEFAP	860,446	650,672	996,183	729,589
CSFP	5,116,143	2,940,995	4,083,425	2,346,796
Totals	$ 7,295,269	4,647,345	$ 7,800,402	4,689,622

Note 10 - SECOND HARVEST FOOD AND GROCERY PRODUCTS RECEIVED AND DISTRIBUTED

Second Harvest receipts and distributions of food and grocery products for the years ended June 30, 2025 and 2024 were as follows:

	2025		2024	
	Dollars	Pounds	Dollars	Pounds
Receipts:				
Donated product	$ 41,171,043	21,668,970	$ 38,723,236	19,656,465
Purchased product	9,445,581	4,392,213	10,367,033	5,119,887
U.S.D.A. commodities	22,219,762	12,918,466	28,358,118	18,644,565
Totals	$ 72,836,386	38,979,649	$ 77,448,387	43,420,917
Distributions, net of adjustments:				
Donated product	$ 41,520,364	21,852,823	$ 38,770,212	19,680,311
Purchased product	10,488,530	4,765,919	9,407,798	4,727,775
U.S.D.A. commodities	22,355,499	12,997,383	28,049,037	16,120,136
Totals	$ 74,364,393	39,616,125	$ 76,227,047	40,528,222

Note 11 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, 2025 and 2024 is as follows:

	2025	2024
Building and improvements	$26,717,766	$24,130,778
Land and improvements	2,967,152	2,236,626
Vehicles	2,031,152	1,798,400
Furniture, fixtures, and equipment	7,485,889	6,506,311
Construction in progress	106,126	2,175,942
Leasehold improvements	149,423	149,423
	39,457,508	36,997,480
Less: accumulated depreciation	(9,047,302)	(7,645,347)
Totals	$30,410,206	$29,352,133

Note 12 - LEASES

Operating Leases - Second Harvest as Lessee

Second Harvest leases a separate kitchen space in Lafayette under an operating lease. The current lease agreement is for the period June 30, 2022 through June 29, 2027. Monthly payments on the lease are $3,200. Second Harvest also leases 10 copier machines and a printer under operating leases with varying expiration dates through April 2029. Total monthly payments on the leases are $1,648.

Operating leases reported under FASB ASC 842 for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Lease cost		
Operating lease costs	$ 58,176	$ 59,130
Operating lease right-of-use assets	$137,177	$188,394
Operating lease liabilities	$137,177	$188,394
Weighted-average information		
Weighted-average remaining lease term in years	2.73	3.58
Weighted-average discount rate: Operating leases	4.21%	4.21%

As of June 30, 2025, minimum future obligations under operating leases having an initial lease term of one year or more are as follows:

Year Ending June 30,	
2026	$ 58,176
2027	58,176
2028	18,402
2029	10,710
Total minimum lease payments	145,464
Less amount representing interest	(8,287)
Present value of operating lease liabilities	137,177
Less current maturities	(58,176)
Operating lease liabilities net of current maturities	$ 79,001

Note 12 - LEASES (Continued)

Finance Leases

Second Harvest has finance leasing arrangements for vehicles with varying interest rates ranging from 4.5% to 9.6%. The leases require monthly payments, including interest, ranging from $1,196 to $3,877. The leases mature in months ranging from January 2026 through June 2032.

Second Harvest entered into a lease agreement with the Archdiocese of Houma for warehouse space. The lease agreement is for 20 years commencing June 1, 2023 and expiring May 31, 2043. In exchange for a capital outlay of leasehold improvement obligation totaling $3,700,000, Second Harvest receives rent abatement for the full lease term. As of June 30, 2025, $3,639,185 was incurred for leasehold improvements and the building has been placed in service.

Finance leases reported under FASB ASC 842 for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Finance lease cost:		
Amortization of right-of-use assets	$ 475,501	$ 408,006
Interest on lease obligations	176,934	169,544
Total finance lease cost	$ 652,435	$ 577,550
Finance lease right-of-use assets, net	$7,917,953	$1,980,246
Finance lease liabilities	$4,402,936	$2,054,331
Weighted-average information		
Weighted-average remaining lease term in years	12.49	5.71
Weighted-average discount rate:		
Finance leases	6.06%	8.17%

Note 12 - LEASES (Continued)

Future minimum lease payments under finance leases as of June 30, 2025 are as follows:

Year Ending June 30,	
2026	$ 913,042
2027	894,813
2028	894,813
2029	894,813
2030	827,483
Thereafter	810,721
Total future payments	5,235,685
Less amount representing interest	(832,749)
Present value of net future payments	$4,402,936

Note 13 - DUE TO ARCHDIOCESE OF NEW ORLEANS

On July 1, 2020, Second Harvest secured a $2,000,000 line of credit with the Archdiocese. The line of credit has no stipulated repayment terms and bears an interest rate of 4.6%. The line of credit matured June 30, 2025 and was not renewed. There was no activity related to this line of credit for the years ended June 30, 2025 and 2024.

Note 14 - DESIGNATION OF NET ASSETS WITHOUT DONOR RESTRICTIONS

On March 6, 2013, the Board of Directors passed a resolution which approved the adoption of the Operating Reserve Policy. The Operating Reserve Policy of Second Harvest is designed to ensure the stability of Second Harvest's mission and ongoing operations. The Operating Reserve is intended to provide a source of funds for situations such as extraordinary expenses that arise, reserve variability, unanticipated losses of funding, or other unexpected financial events. The Operating Reserve is not intended to replace a permanent loss of funds or eliminate an ongoing budget deficit. Second Harvest's Operating Reserve is supported by investments in the form of cash deposits or publicly traded investments to be available based on Finance Committee recommendations and Board of Directors' approvals.

Note 14 - DESIGNATION OF NET ASSETS WITHOUT DONOR RESTRICTIONS (Continued)

As of June 30, 2025 and 2024, Board designations consist of the following:

	2025	2024
Endowment purposes	$ 17,256,743	$ 16,403,722
Operating Reserves	13,175,929	10,224,106
Totals	$ 30,432,672	$ 26,627,828

Note 15 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes.

	2025	2024
Subject to expenditure for specified purpose:		
Capital campaign (see Note 5)	$ 1,257,075	$ 1,865,375
Food distribution program	883,073	734,241
Food sourcing	844,645	60,000
Capital	677,291	188,099
Equitable food access	212,668	528,019
Food systems	200,000	-
Community accelerator	196,143	183,750
Agency relations	145,266	156,638
Services insights	103,490	48,218
Senior program	86,904	150,000
School pantry program	69,454	76,097
Mobile market program	54,000	121,326
Disaster relief	50,000	-
Therapeutic pantry program	30,000	-
Summer feeding program	25,000	42,819
Kids Café program	25,000	25,000
Nutrition education program	3,818	-
Backpack program	-	49,939
Mobile pantry program	-	6,800
Groceries to Geaux	-	6,208
Subject to passage of time:		
Unconditional promises to give	102,397	65,180
	4,966,224	4,307,709
Endowment fund	1,651,436	1,388,073
Total net assets with donor restrictions	$ 6,617,660	$ 5,695,782

Note 15 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the years ended June 30, 2025 and 2024, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes or passage of time specified by donors.

	2025	2024
Food distribution program	$ 1,104,668	$ 797,538
Capital campaign	698,232	1,173,066
Equitable food access	415,351	125,731
Capital	188,099	25,000
Mobile market program	117,326	25,000
Agency relations	101,372	47,281
Transfer from endowment	100,734	101,134
Senior program	78,096	-
Kids Café program	72,500	25,000
School pantry program	72,097	78,910
Summer feeding program	55,319	31,400
Backpack program	49,940	143,500
Services insights	44,728	87,939
Community accelerator	37,607	120,622
Other pledges	37,217	24,049
Mobile pantry program	6,800	20,000
Groceries to geaux	6,208	-
Food sourcing	2,855	-
Nutrition education program	1,180	-
Disaster relief	-	56,916
Food rescue program	-	5,000
Human resources	-	6,600
Totals	$ 3,190,329	$2,894,686

Note 16 - ENDOWMENT

The Board of Directors (the "Board") of Second Harvest has a strong fiduciary duty to manage the assets of Second Harvest's endowment and believes it should be done in a prudent manner. The Board recognizes that the intent of the endowment is to protect the donor with respect to expenditures from endowments. If this intent is clearly expressed by the donor, whether the intent is in a written gift instrument or not, the intent of the donor is followed. Earnings, including appreciation, that are not required by the donor to be reinvested in corpus are maintained in net assets without donor restrictions.

Note 16 - ENDOWMENT (Continued)

The Endowments. Second Harvest's endowment fund includes a restricted fund established for the purpose of generating income to support general operations. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

During the year ended June 30, 2000, the donor amended the "Agreement to Donate" dated August 26, 1997, which revised the method of distributing the earnings to Second Harvest, whereby 5% of the average market value of the investment for the last twelve fiscal quarters is allowed to be distributed annually to Second Harvest. All amounts in excess of the 5% distribution are to be reinvested as corpus. The amended "Agreement to Donate" also required that the principal balance should not be reduced below $1,000,000.

During the year ended June 30, 2023, $13,000,000 of a grant received in December 2020 for sustainability and long-term strategic growth was added to the endowment net assets.

Interpretation of Relevant Law. Second Harvest is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions because those net assets cannot be spent, except as distributed according to the preceding paragraphs. Second Harvest has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to the endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, Second Harvest considers a fund to be underwater if the fair value of the fund is less than the sum of:

- the original value of initial and subsequent gift amounts donated to the fund, and
- accumulations to the permanent endowment, made in accordance with donor's amended "Agreement to Donate".

Note 16 - ENDOWMENT (Continued)

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, Second Harvest considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of Second Harvest and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of Second Harvest
- The investment policies of Second Harvest

The composition of endowment net assets with donor restrictions as of June 30, 2025 and 2024 is as follows:

	2025	2024
Original donor-restricted gift amount required to be maintained in perpetuity by donor	$ 1,000,000	$ 1,000,000
Accumulated investment gains	651,436	388,073
With donor restrictions	$ 1,651,436	$ 1,388,073

Note 16 - ENDOWMENT (Continued)

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment net assets,			
Beginning of year	$ 16,403,722	$ 1,388,073	$17,791,795
Distributions	(960,004)	-	(960,004)
Earnings	1,719,678	376,583	2,096,261
Fees	(7,387)	(12,486)	(19,873)
Transfers	100,734	(100,734)	-
Endowment net assets, end of year	$ 17,256,743	$ 1,651,436	$18,908,179

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment net assets,			
Beginning of year	$ 14,571,069	$ 1,299,146	$15,870,215
Earnings	1,737,987	201,730	1,939,717
Fees	(6,468)	(11,669)	(18,137)
Transfers	101,134	(101,134)	-
Endowment net assets, end of year	$ 16,403,722	$ 1,388,073	$17,791,795

Underwater Endowment Funds. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or SPMIFA requires Second Harvest to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations that occur after the investment of contributions with perpetual duration. There were no such deficiencies in endowment net assets with donor restrictions as of June 30, 2025 and 2024.

Note 16 - ENDOWMENT (Continued)

Return Objectives and Risk Parameters. Second Harvest follows the investment and spending policies of the Archdiocese through the Foundation as mandated by the "Agreement to Donate" for endowment assets to be maintained in perpetuity, that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. For the endowment assets restricted for sustainability and long-term strategic goals, Second Harvest follows the Investment Policy Statement (Endowment Funds) approved by the Board of Directors, with the investment objective to preserve purchasing power, while providing a continuing and stable funding source to support the overall mission of the organization.

Strategies Employed for Achieving Objectives. The endowment assets to be maintained in perpetuity, are invested in the Archdiocese of New Orleans' investment pool, as previously described. Second Harvest's spending and investment policies work together to achieve this objective. For the other endowment restricted for sustainability and long-term strategic goals, assets are allocated to an Investment Manager in accordance with the Investment Objectives and Policy Guidelines as contained in the Investment Policy Statement (Endowment Funds).

Spending Policy and How Investment Objectives Relate to the Spending Policy. Spending is approved by the Board, based on the needs of Second Harvest, and as governed by the Investment Policy Statement (Endowment Funds).

Note 17 - AVAILABILITY OF FINANCIAL ASSETS

Second Harvest is substantially supported by contributions and grants on an unrestricted and restricted basis. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Second Harvest must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of Second Harvest's liquidity management, management established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Management established guidelines for making decisions related to managing short-term cash reserves and other investments in a prudent manner.

Second Harvest's Board of Directors may also designate a portion of any operating surplus for a particular purpose. The Board of Directors designated reserves can be changed and made available for immediate use in the event of an urgent liquidity need.

Note 17 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following reflects Second Harvest's financial assets as of June 30, 2025, reduced by amounts not available for general use because of donor-imposed restrictions.

Financial assets:	
Cash and cash equivalents	$ 5,832,378
Contributions receivable	1,453,517
Grants receivable	2,586,784
Other receivables	356,268
Investments	30,527,876
Total financial assets as of June 30, 2025	40,756,823
Less amounts unavailable for general expenditures within one year, due to:	
Donor imposed restrictions:	
Restricted by donors with purpose restrictions	(4,966,224)
Endowment fund	(1,651,436)
Financial assets available to meet cash needs for general expenditures within one year before board designations	34,139,163
Less board designations	(30,432,672)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,706,491 [1]

[1] *According to Feeding America, members shall demonstrate cash reserves without restrictions equal to or greater than an average quarter's cash operating expenses (based on the previous fiscal year audited financial statements excluding donated product, government purchased food and pass-through funds).*

Note 18 - RETIREMENT PLAN

Second Harvest offers a 401(k) retirement plan for its employees. Employees electing to participate in the plan are required to contribute a minimum of 3% of their salaries and may elect to contribute up to a 75% maximum, effective July 1, 2017. The plan requires Second Harvest to contribute 3.5% of the participants' salaries. The retirement plan expense also includes an additional 2% contribution by Second Harvest to cover administrative costs and employee benefit costs including life insurance, disability insurance, and other benefits. Any remaining funds from the additional 2% contribution may be used as a discretionary employer contribution to the plan.

Note 18 - RETIREMENT PLAN (Continued)

The plan administrator is the Archdiocese. The plan trustee is Voya. Second Harvest contributed $473,876 (retirement $302,297, benefits $171,579) and $382,644 (retirement $244,196, benefits $138,448), for the years ended June 30, 2025 and 2024, respectively.

Note 19 - SIGNIFICANT CONTRACTS AND GRANTS

For the years ended June 30, 2025 and 2024, $24,370,003 and $30,989,419, respectively, (which includes $497,147 and $614,925, respectively, of revenue included in non-Federal fees and grants on the Statements of Activities) of Second Harvest's governmental financial assistance was from the U.S. Department of Agriculture. Management believes that Second Harvest is in compliance with the provisions of these contracts and grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

Note 20 - RISK MANAGEMENT

Second Harvest is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the years ended June 30, 2025 and 2024.

Note 21 - CONCENTRATIONS OF CREDIT RISK

Second Harvest maintains deposits with local financial institutions. Accounts at these institutions are insured by the U.S. Federal Deposit Insurance Corporation up to $250,000 per account. The balances at times may exceed federally insured limits. As of June 30, 2025, uninsured cash and cash equivalent balances were approximately $2,047,000.

Second Harvest maintains money market accounts and mutual funds in investment accounts with brokerage firms where they are insured by the Securities Investor Protection Corporation for balances up to $500,000 (with a limit of $250,000 for cash). As of June 30, 2025, cash in excess of the insured limits was approximately $3,459,000.

Note 22 - RISKS AND UNCERTAINTIES

Investment securities are exposed to various risks, such as interest rate, currency, credit, and market volatility. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in risk in the near term would materially affect the fair market value of investments held by Second Harvest.

Note 23 - BOARD OF DIRECTORS COMPENSATION

The members of Second Harvest's Board were not compensated during the years ended June 30, 2025 and 2024.

Note 24 - RELATED PARTY TRANSACTIONS

The Archdiocese, through the operations of the Administrative Offices, serves as a conduit in providing insurance coverage to Second Harvest. The Administrative Office charges premiums to Second Harvest based on relevant factors for each type of coverage. In the normal course of operations, the Archdiocese may make available to Second Harvest other specific assistance. Second Harvest is invoiced separately for this assistance.

Second Harvest paid the Archdiocese $751,715 and $692,246 for general liability, property coverage, workmen's compensation, and vehicle insurances for the years ended June 30, 2025 and 2024, respectively.

Note 25 - SUBSEQUENT EVENTS

On November 13, 2025, Second Harvest filed for reorganization under Chapter 11 of the Bankruptcy Code under a prepackaged agreement in connection with the Archdiocese of New Orleans bankruptcy settlement. On December 16, 2025, the confirmed joint bankruptcy plan became effective, and Second Harvest's bankruptcy is now concluded. The bankruptcy proceedings had no impact on Second Harvest's ongoing operations, outstanding liabilities, employees or contracts. All amounts due on the date of the filing have been or will be fully repaid and the terms of all contracts have been or will be fulfilled.

As a result of the confirmed joint plan and Second Harvest's bankruptcy, any potential liability for abuse claims or other unknown or unfiled claims that occurred prior to November 13, 2025, will be channeled to the Settlement Trust established by the joint plan, and Second Harvest will have no obligation related to any of those potential liabilities. Second Harvest did not contribute any funds to the settlement related to the bankruptcy proceedings.

Note 25 - SUBSEQUENT EVENTS (Continued)

The joint bankruptcy settlement includes a $70 million payment to a settlement trust from the proceeds of the sale of the Affordable Housing Facilities (a/k/a the Christopher Homes portfolio) with the expected sale closing by March 2026. The $70 million payment will be secured by irrevocable letters of credit issued by a financial institution. In the event the Christopher Homes sale does not occur or the letters of credits are not paid, the $70 million payment to the Settlement Trust will be funded by $70 million in non-interest bearing promissory notes that were issued by the Archdiocese of New Orleans ($50 million due March 31, 2026 and $20 million due July 15, 2026), of which Second Harvest, along with 156 affiliated entities, is a co-guarantor. Second Harvest assessed the likelihood of payment under the guaranty of these notes as extremely remote and therefore has not recognized a liability.

SUPPLEMENTAL INFORMATION

SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES PREPARED FOR THE UNITED WAY OF SOUTHEAST LOUISIANA

Second Harvest Food Bank of Greater New Orleans and Acadiana

New Orleans, Louisiana

For the year ended June 30, 2025
(Unaudited)

FORM 1

			AGENCY	ADMINISTRATION FUNDRAISING Management and General	TOTAL PROGRAM SERVICES	PROGRAM SERVICES Second Harvest
	FUNCTIONAL BUDGET SPREADSHEET 2024 - 2025		1	2	3	4
	REVENUE:					
1	4200	BOARD GENERATED SELF SUPPORT	$ -	$ -	$ -	$ -
2	4008|4016| 4031..4053	CLIENT GENERATED SELF SUPPORT	12,506,639	-	12,506,639	12,506,639
3	4061-4069	GOVERNMENT GRANTS/CONTRACTS	33,170,413	-	33,170,413	33,170,413
4	4010..4013| 4017..4020	OTHER FOUNDATIONS OR NATIONAL GRANTS	112,000	-	112,000	112,000
5	4081-4450| 4021	OTHER REVENUE	6,135,192	-	6,135,192	6,135,192
6	5005-5019	IN-KIND/NON-CASH CONTRIBUTIONS	41,266,139	-	41,266,139	41,266,139
7	**TOTAL SELF GENERATED REVENUE**		93,190,383	-	93,190,383	93,190,383
8	4072	UNITED WAY DESIGNATIONS AND ALLOCATIONS	162,354	-	162,354	162,354
9	4071	CFC DESIGNATIONS	-	-	-	-
10	4073|4075| 4076|4078	OTHER UNITED WAY GRANTS	289,685	-	289,685	289,685
11	**TOTAL REVENUE**		93,642,422	-	93,642,422	93,642,422
12	4074	UNITED WAY GNO REQUEST	50,000	-	50,000	50,000
13		**GRAND TOTAL REVENUE**	93,692,422	-	93,692,422	93,692,422
	EXPENSES:					
14	6005-6019	SALARIES	9,468,739	2,889,898	6,578,841	6,578,841
15	6020-6029	BENEFITS	1,818,571	702,785	1,115,786	1,115,786
16	6040-6049	TAXES	703,528	221,295	482,233	482,233
17	6300-6399	OCCUPANCY EXPENSES	1,670,081	8,746	1,661,335	1,661,335
18	6400-6499	TRAVEL AND TRANSPORTATION EXPENSE	1,611,029	13,970	1,597,059	1,597,059
19	6500-6599 ex 6503	OFFICE SUPPLIES	292,036	71,732	220,304	220,304
20	6107-6115	PRINTING	57,737	43,667	14,070	14,070
21	6700..6849| 6503	DIRECT ASSISTANCE TO INDIVIDUALS	13,209,538	125,026	13,084,512	13,084,512
22	6050-6106| 6117-6299| 6600-6699| 7000-7099| 7200-9999| 6850-6899	OTHER	7,508,828	2,103,038	5,405,790	5,405,790
23	7100-7199	IN-KIND/NON-CASH CONTRIBUTIONS	63,875,863	-	63,875,863	63,875,863
24	6900-6999	BOARD GENERATED SELF SUPPORT	1,595,477	1,087,209	508,268	73,828
25		**GRAND TOTAL EXPENSES**	$ 101,811,427	$ 7,267,366	$ 94,544,061	$ 94,109,621
26	**NET DIFFERENCE**		$ (8,119,005)	$ (7,267,366)	$ (851,639)	$ (417,199)

EXPENSES ANALYSIS:

27-Total Direct Program Expenses	$ 94,109,621
28-Percent of Total Program Expenses	100%
29-Distribution of M & G Expenses	$ 7,267,366
30-Grand Total Program Expenses	$101,376,987
31-Projected Undup. People Served	300,000
32-Cost per Person	$ 338

See Accountant's Disclaimer of Opinion.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Second Harvest Food Bank of Greater New Orleans and Acadiana
New Orleans, Louisiana

For the year ended June 30, 2025

Agency Head Name:	Natalie Jayroe, CEO*	Jon Toups, CEO
Purpose		
Salary	$ 329,187	$ 65,423
Benefits - insurance	16,179	2,188
Benefits - retirement	5,269	1,413
Benefits - other	3,011	808
Car allowance	-	-
Vehicle provided by government	-	-
Per diem	-	-
Reimbursements	251	1,640
Travel	81	7
Registration fees	1,090	1,390
Conference travel	5,890	2,827
Continuing professional education fees	-	-
Housing	-	-
Unvouchered expenses	-	-
Special meals	-	-
	$ 360,958	$ 75,696

* Jon Toups replaced Natalie Jayroe as CEO in February of 2025.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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

To Most Reverend Gregory Aymond, Archbishop
and Board of Directors,
Second Harvest Food Bank of Greater New Orleans and Acadiana,
New Orleans, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Second Harvest Food Bank of Greater New Orleans and Acadiana (a nonprofit organization) ("Second Harvest"), 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 December 29, 2025.

Report on Internal Control over Financial Reporting

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

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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 and therefore material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Second Harvest's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Second Harvest's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Second Harvest's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Second Harvest's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Second Harvest's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 29, 2025.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To Most Reverend Gregory Aymond, Archbishop
and Board of Directors,
Second Harvest Food Bank of Greater New Orleans and Acadiana,
New Orleans, Louisiana.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Second Harvest Food Bank of Greater New Orleans and Acadiana's ("Second Harvest") (a nonprofit organization) compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Second Harvest's major federal programs for the year ended June 30, 2025. Second Harvest'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 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.

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We are required to be independent of Second Harvest 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's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Second Harvest'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'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's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Second Harvest'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'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'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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 29, 2025.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Second Harvest Food Bank of Greater New Orleans and Acadiana
New Orleans, Louisiana

For the year ended June 30, 2025

Federal Grantor / Pass-Through Agency / Program Title	Federal Assistance Listing Number	Passed-through to Subrecipients (Food Commodities)	Federal Expenditures
United States Department of Agriculture:			
Pass-through Programs From:			
Louisiana Department of Agriculture and Forestry:			
Emergency Food Assistance Program (Food Commodities)	10.569	$ 22,355,499	$ 22,219,762
Emergency Food Assistance Program (Administrative Costs)	10.568		1,653,094
Emergency Food Assistance Program (Reach and Resiliency)	10.568		302,889
Commodity Supplemental Food Program	10.565		17,471,115
Local Food Assistance Purchase Cooperative Nourishing Louisiana	10.182		2,210,473
Louisiana Department of Education:			
Child and Adult Care Food Program	10.558		737,198
Summer Food Service Program	10.559		611,596
Louisiana Department of Children and Family Services:			
Supplemental Nutrition Assistance Program	10.561		478,263
Total United States Department of Agriculture			45,684,390
United States Department of Housing and Urban Development (HUD)			
Pass-through Programs From:			
Louisiana Division of Administration			
Community Development Block Grants / Entitlement Grants	14.218		1,299,642
United States Department of Homeland Security:			
Emergency Food and Shelter Assistance Program National Board Program (Phase 41)	97.024		6,106
United States Department of the Treasury:			
Pass-through Programs From:			
City of New Orleans			
Coronavirus State and Local Fiscal Recovery Fund	21.019		46,481
Total expenditures of federal awards		$ 22,355,499	$ 47,036,619

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Second Harvest Food Bank of Greater New Orleans and Acadiana
New Orleans, Louisiana

For the year ended June 30, 2025

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Second Harvest Food Bank of Greater New Orleans and Acadiana ("Second Harvest"). Second Harvest's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2025. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies.

b. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2 to Second Harvest's financial statements for the year ended June 30, 2025.

c. Payments to Subrecipients

There were no payments to subrecipients for the year ended June 30, 2025. Food commodities of $22,355,499 were passed through to subrecipients.

d. De Minimis

Second Harvest has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2 - RELATIONSHIP TO FINANCIAL STATEMENTS

Federal revenues of $29,831,443 are reported on the Statement of Activities and include fees and grants from other federal agencies of $5,958,587, U.S. Department of Agriculture commodities of $22,219,762, and U.S. Department of Agriculture administration of $1,653,094.

Note 2 - RELATIONSHIP TO FINANCIAL STATEMENTS (Continued)

The Schedule of Expenditures of Federal Awards includes food distributions totaling $15,867,303 for the Commodity Supplemental Food Program not reported on the Statement of Activities in accordance with GAAP.

Note 3 - FOOD DISTRIBUTION

Non-monetary assistance is reported in the Schedule of Expenditures of Federal Awards at the average wholesale value of the commodities received and disbursed. Non-monetary assistance included on the Schedule of Expenditures of Federal Awards was $22,355,499 for the year ended June 30, 2025.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Second Harvest Food Bank of Greater New Orleans and Acadiana

New Orleans, Louisiana

For the year ended June 30, 2025

Section I - Summary of Auditor's Results

a) Financial Statements

Type of report issued on the financial statements: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _X_ Yes ___ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ___ Yes _X_ None reported

Noncompliance material to financial statements noted? ___ Yes _X_ No

b) Federal Awards

Internal controls over major programs:

- Material weakness(es) identified? ___ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ___ Yes _X_ No

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

- Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance? ___ Yes _X_ No

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

Federal AL Number	Name of Federal Program
10.569	Emergency Food Assistance Program (Food Commodities)
10.568	Emergency Food Assistance Program (Administrative Costs)
10.568	Emergency Food Assistance Program (Reach and Resiliency)
10.565	Commodity Supplemental Food Program
10.182	Local Food Assistance Purchase Cooperative Nourishing Louisiana

Dollar threshold used to distinguish between Type A and Type B programs: $1,411,099

Auditee qualified as a low-risk auditee? X Yes ____ No

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

2025-001 Financial Reporting and Accounting

Criteria - Second Harvest should record inventory and revenue and expense in accordance with accounting principles generally accepted in the United States of America.

Condition - Inventory, governmental financial assistance and food donation revenue, and food distribution expenses were incorrectly recorded.

Cause - Second Harvest did not record inventory, governmental financial assistance and food donation revenue, and food distribution expenses in accordance with accounting principles generally accepted in the United States of America.

Effect - Inventory owned by other organizations that Second Harvest was maintaining in its warehouse was incorrectly recorded as Second Harvest's inventory, governmental financial assistance and food donation revenue, and food distribution expenses with the inventory receipts and disbursements. Material adjustments were required to adjust inventory, revenue, and expense.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements (Continued)

Internal Control Over Financial Reporting (Continued)

2025-001 Financial Reporting and Accounting (Continued)

Context - Systematic

Recommendation - Second Harvest should implement procedures to ensure that inventory, revenue, and expense are recorded in accordance with accounting principles generally accepted in the United States of America in order to provide the Board of Directors accurate financial information.

Views of responsible officials of the auditee when there is disagreement with the findings, to the extent practical. - N/A.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended June 30, 2025.

Section III - Federal Award Findings and Questioned Costs

Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2025 related to internal control and compliance material to federal awards.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Second Harvest Food Bank of Greater New Orleans and Acadiana
New Orleans, Louisiana

For the year ended June 30, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no internal control over financial reporting findings material to the financial statements reported during the audit for the year ended June 30, 2024.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended June 30, 2024.

Section II - Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2024 related to internal control and compliance material to federal awards.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2024.

SECOND HARVEST FOOD BANK
FEEDING SOUTH LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN ON CURRENT YEAR FINDINGS

Second Harvest Food Bank of Greater New Orleans and Acadiana
New Orleans, Louisiana
For the year ended June 30, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

2025-001 Financial Reporting and Accounting

Recommendation - Second Harvest should implement procedures to ensure that inventory, revenue, and expense are recorded in accordance with accounting principles generally accepted in the United States of America in order to provide the Board of Directors accurate financial information.

Management's Response - All asset activity, including the recording of inventory, is reviewed by the Controller at month end to confirm accuracy of record keeping. Books are reviewed, closed, and reported monthly under guidance of the Controller and CFO.

Contact Person Responsible for Corrections - Chief Financial Officer, Second Harvest, (504) 734-1322.

Anticipated Completion Date - December 23, 2025.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended June 30, 2025.

Section II - Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2025 related to internal control and compliance material to federal awards.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2025.