



*Promoting a Hunger-Free Community Since 1982*

**KALAMAZOO LOAVES & FISHES, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**For the Years Ended June 30, 2025 and 2024**

## TABLE OF CONTENTS

|   | <u>Page No.</u> |
|---|-----------------|
| Independent Auditor's Report  | 1               |
| Financial Statements  |                 |
| Statements of Financial Position  | 2               |
| Statements of Activities and Changes in Net Assets  | 3-4             |
| Statements of Functional Expenses   | 5-6             |
| Statements of Cash Flows  | 7               |
| Notes to Financial Statements   | 8-14            |
| Supplementary Information   |                 |
| Schedules of Program Service Expenses   | 15-16           |
| Single Audit Report   |                 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and<br>on Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> | 17-18           |
| Independent Auditor's Report on Compliance for Each Major Program and on<br>Internal Control Over Compliance Required by the Uniform Guidance   | 19-21           |
| Schedule of Expenditures of Federal Awards  | 22              |
| Notes to Schedule of Expenditures of Federal Awards   | 23              |
| Schedule of Findings and Questioned Costs   | 24-25           |

# SEBER TANS, PLC

## CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Kalamazoo Loaves & Fishes, Inc.  
Kalamazoo, Michigan

#### Opinion

We have audited the accompanying financial statements of Kalamazoo Loaves & Fishes, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kalamazoo Loaves & Fishes, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kalamazoo Loaves & Fishes, Inc. and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kalamazoo Loaves & Fishes, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kalamazoo Loaves & Fishes, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kalamazoo Loaves & Fishes, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026, on our consideration of Kalamazoo Loaves & Fishes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Kalamazoo Loaves & Fishes, Inc.'s internal control over financial reporting and compliance.

*Seber Tans, PLC*

Seber Tans, PLC  
Kalamazoo, Michigan  
February 12, 2026

**Kalamazoo Loaves & Fishes, Inc.**  
**Statements of Financial Position**  
**June 30, 2025 and 2024**

|  | 2025                       | 2024                       |
|--|----------------------------|----------------------------|
| <b>ASSETS</b>  |                            |                            |
| Current Assets   |                            |                            |
| Cash and cash equivalents                                      | \$ 1,146,405               | \$ 233,980                 |
| Certificates of deposit  | 55,518                     | 713,995                    |
| Grants and pledges receivable (Note C)                         | 299,924                    | 425,804                    |
| Inventory (Note D)   | 769,984                    | 991,780                    |
| Prepaid expenses and other current assets                      | 122,293                    | 126,267                    |
| Total Current Assets   | <u>2,394,124</u>           | <u>2,491,826</u>           |
| Property and Equipment, net (Note E)                           | <u>2,667,572</u>           | <u>2,667,829</u>           |
| Investments (Note F)   | <u>3,034,353</u>           | <u>2,680,071</u>           |
| Grants and pledges receivable, net of current portion (Note C) | <u>232,622</u>             | <u>-</u>                   |
| <b>Total Assets</b>  | <b><u>\$ 8,328,671</u></b> | <b><u>\$ 7,839,726</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>                              |                            |                            |
| Current Liabilities  |                            |                            |
| Accounts payable   | \$ 194,455                 | \$ 47,426                  |
| Accrued payroll and related liabilities                        | 69,957                     | 50,067                     |
| Total Current Liabilities                                      | <u>264,412</u>             | <u>97,493</u>              |
| Net Assets   |                            |                            |
| Net assets without donor restrictions:                         |                            |                            |
| Undesignated   | 4,406,963                  | 4,824,956                  |
| Board-designated   | 3,034,353                  | 2,680,071                  |
| Net assets with donor restrictions (Note H)                    | 622,943                    | 237,206                    |
| Total Net Assets   | <u>8,064,259</u>           | <u>7,742,233</u>           |
| <b>Total Liabilities and Net Assets</b>                        | <b><u>\$ 8,328,671</u></b> | <b><u>\$ 7,839,726</u></b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**Kalamazoo Loaves & Fishes, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2025**

|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>               |
|--|---|------------------------------------|----------------------------|
| <b>Support and Other Revenue</b>                             |   |                                    |                            |
| Food products received by:                                   |   |                                    |                            |
| Governmental grants  | \$ 4,855,762                              | \$ -                               | \$ 4,855,762               |
| In-kind contributions  | 657,565                                   | -                                  | 657,565                    |
| Other revenues:  |   |                                    |                            |
| Contributions  | 2,562,330                                 | -                                  | 2,562,330                  |
| Grants   | 649,437                                   | 622,488                            | 1,271,925                  |
| Bequests   | 559,607                                   | -                                  | 559,607                    |
| Special events   | 36,759                                    | -                                  | 36,759                     |
| Investment income  | 110,504                                   | -                                  | 110,504                    |
| Market valuation changes in investments                      | 206,125                                   | -                                  | 206,125                    |
| Other income   | 21,745                                    | -                                  | 21,745                     |
| Total Support and Other Revenue                              | <u>9,659,834</u>                          | <u>622,488</u>                     | <u>10,282,322</u>          |
| Net assets released from restrictions                        | <u>236,751</u>                            | <u>(236,751)</u>                   | <u>-</u>                   |
| Total Support, Other Revenue,<br>and Releases of Restriction | <u>9,896,585</u>                          | <u>385,737</u>                     | <u>10,282,322</u>          |
| <b>Expenses</b>  |   |                                    |                            |
| Program services   | 9,111,734                                 | -                                  | 9,111,734                  |
| Support services:  |   |                                    |                            |
| Management and general                                       | 535,144                                   | -                                  | 535,144                    |
| Fundraising  | 313,418                                   | -                                  | 313,418                    |
| Total Expenses   | <u>9,960,296</u>                          | <u>-</u>                           | <u>9,960,296</u>           |
| <b>Change in Net Assets</b>                                  | <b>(63,711)</b>                           | <b>385,737</b>                     | <b>322,026</b>             |
| Net Assets at Beginning of Year                              | <u>7,505,027</u>                          | <u>237,206</u>                     | <u>7,742,233</u>           |
| <b>Net Assets at End of Year</b>                             | <b><u>\$ 7,441,316</u></b>                | <b><u>\$ 622,943</u></b>           | <b><u>\$ 8,064,259</u></b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**Kalamazoo Loaves & Fishes, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2024**

|  | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>               |
|--|---|------------------------------------|----------------------------|
| <b>Support and Other Revenue</b>                             |   |                                    |                            |
| Food products received by:                                   |   |                                    |                            |
| Governmental grants  | \$ 3,745,315                              | \$ -                               | \$ 3,745,315               |
| In-kind contributions  | 993,388                                   | -                                  | 993,388                    |
| Other revenues:  |   |                                    |                            |
| Contributions  | 2,254,327                                 | -                                  | 2,254,327                  |
| Other in-kind contributions                                  | 425                                       | -                                  | 425                        |
| Grants   | 1,051,965                                 | 310,000                            | 1,361,965                  |
| Bequests   | 6,164                                     | -                                  | 6,164                      |
| Special events   | 75,400                                    | -                                  | 75,400                     |
| Investment income  | 98,998                                    | -                                  | 98,998                     |
| Market valuation changes in investments                      | 250,949                                   | -                                  | 250,949                    |
| Other income   | 8,527                                     | -                                  | 8,527                      |
| Total Support and Other Revenue                              | <u>8,485,458</u>                          | <u>310,000</u>                     | <u>8,795,458</u>           |
| Net assets released from restrictions                        | <u>218,111</u>                            | <u>(218,111)</u>                   | <u>-</u>                   |
| Total Support, Other Revenue,<br>and Releases of Restriction | <u>8,703,569</u>                          | <u>91,889</u>                      | <u>8,795,458</u>           |
| <b>Expenses</b>  |   |                                    |                            |
| Program services   | 7,418,812                                 | -                                  | 7,418,812                  |
| Support services:  |   |                                    |                            |
| Management and general                                       | 526,404                                   | -                                  | 526,404                    |
| Fundraising  | 308,973                                   | -                                  | 308,973                    |
| Total Expenses   | <u>8,254,189</u>                          | <u>-</u>                           | <u>8,254,189</u>           |
| <b>Change in Net Assets</b>                                  | <b>449,380</b>                            | <b>91,889</b>                      | <b>541,269</b>             |
| Net Assets at Beginning of Year                              | <u>7,055,647</u>                          | <u>145,317</u>                     | <u>7,200,964</u>           |
| <b>Net Assets at End of Year</b>                             | <b><u>\$ 7,505,027</u></b>                | <b><u>\$ 237,206</u></b>           | <b><u>\$ 7,742,233</u></b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**Kalamazoo Loaves & Fishes, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2025**

|                                  | <u>Program<br/>Services</u> | <u>Management<br/>&amp; General</u> | <u>Fundraising</u>       | <u>Total<br/>Expenses</u>  |
|----------------------------------|-----------------------------|-------------------------------------|--------------------------|----------------------------|
| Accounting and audit             | \$ -                        | \$ 50,091                           | \$ -                     | \$ 50,091                  |
| Bank and investment fees         | -                           | 23,727                              | 16,862                   | 40,589                     |
| Compensation and fringes         | 1,172,128                   | 292,714                             | 151,462                  | 1,616,304                  |
| Consultants and contractors      | 82,819                      | 82,688                              | 2,492                    | 167,999                    |
| Cost of food distributed:        |                             |                                     |                          |                            |
| Direct purchases                 | 1,400,444                   | -                                   | -                        | 1,400,444                  |
| In-kind contributions and grants | 5,750,985                   | -                                   | -                        | 5,750,985                  |
| Depreciation                     | 185,109                     | 13,333                              | 3,982                    | 202,424                    |
| Insurance                        | 14,473                      | 13,512                              | -                        | 27,985                     |
| Licenses and dues                | 819                         | 2,238                               | 460                      | 3,517                      |
| Marketing                        | -                           | 8,445                               | 15                       | 8,460                      |
| Payroll taxes                    | 73,995                      | 15,618                              | 10,164                   | 99,777                     |
| Postage                          | -                           | 252                                 | 20,706                   | 20,958                     |
| Printing                         | 594                         | 1,101                               | 28,308                   | 30,003                     |
| Rent and utilities               | 66,687                      | 5,800                               | 2,702                    | 75,189                     |
| Repairs and maintenance          | 112,658                     | 6,779                               | 1,548                    | 120,985                    |
| Software licensing               | 5,305                       | 2,133                               | 53,620                   | 61,058                     |
| Staff development                | 4,445                       | 5,050                               | 520                      | 10,015                     |
| Supplies                         | 88,619                      | 7,118                               | 20,353                   | 116,090                    |
| Telephone                        | 11,262                      | 270                                 | -                        | 11,532                     |
| Transportation                   | 141,392                     | 1,636                               | 224                      | 143,252                    |
| Volunteer support                | -                           | 2,639                               | -                        | 2,639                      |
| <b>Total Expenses</b>            | <b><u>\$ 9,111,734</u></b>  | <b><u>\$ 535,144</u></b>            | <b><u>\$ 313,418</u></b> | <b><u>\$ 9,960,296</u></b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**Kalamazoo Loaves & Fishes, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2024**

|                                  | <u>Program<br/>Services</u> | <u>Management<br/>&amp; General</u> | <u>Fundraising</u>       | <u>Total<br/>Expenses</u>  |
|----------------------------------|-----------------------------|-------------------------------------|--------------------------|----------------------------|
| Accounting and audit             | \$ -                        | \$ 67,218                           | \$ -                     | \$ 67,218                  |
| Bank and investment fees         | -                           | 22,121                              | 14,995                   | 37,116                     |
| Compensation and fringes         | 1,000,225                   | 286,320                             | 153,097                  | 1,439,642                  |
| Consultants and contractors      | 96,443                      | 71,365                              | 3,210                    | 171,018                    |
| Cost of food distributed:        |                             |                                     |                          |                            |
| Direct purchases                 | 1,555,511                   | -                                   | -                        | 1,555,511                  |
| In-kind contributions and grants | 4,170,256                   | -                                   | -                        | 4,170,256                  |
| Depreciation                     | 188,215                     | 10,503                              | 3,402                    | 202,120                    |
| Insurance                        | 11,862                      | 11,663                              | -                        | 23,525                     |
| Licenses and dues                | 579                         | 2,735                               | 340                      | 3,654                      |
| Marketing                        | 100                         | 6,151                               | 311                      | 6,562                      |
| Payroll taxes                    | 66,323                      | 16,233                              | 10,367                   | 92,923                     |
| Postage                          | -                           | 493                                 | 21,693                   | 22,186                     |
| Printing                         | -                           | 1,843                               | 24,306                   | 26,149                     |
| Rent and utilities               | 57,874                      | 4,898                               | 2,147                    | 64,919                     |
| Repairs and maintenance          | 69,599                      | 2,515                               | 2,930                    | 75,044                     |
| Software licensing               | 6,456                       | 1,726                               | 51,304                   | 59,486                     |
| Staff development                | 2,316                       | 8,507                               | 1,429                    | 12,252                     |
| Supplies                         | 96,353                      | 5,316                               | 18,462                   | 120,131                    |
| Telephone                        | 11,434                      | -                                   | -                        | 11,434                     |
| Transportation                   | 84,841                      | 3,908                               | 546                      | 89,295                     |
| Volunteer support                | 425                         | 2,889                               | 434                      | 3,748                      |
| <b>Total Expenses</b>            | <b><u>\$ 7,418,812</u></b>  | <b><u>\$ 526,404</u></b>            | <b><u>\$ 308,973</u></b> | <b><u>\$ 8,254,189</u></b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**Kalamazoo Loaves & Fishes, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2025 and 2024**

|  | 2025                       | 2024                     |
|--|----------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                            |                          |
| Change in Net Assets   | \$ 322,026                 | \$ 541,269               |
| Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities: |                            |                          |
| Depreciation expense   | 202,424                    | 202,120                  |
| Discounts applied to long-term receivables   | 27,378                     | -                        |
| Contributions of stock   | (166,444)                  | (128,921)                |
| Unrealized gains on investments held   | (207,860)                  | (250,259)                |
| In-kind food revenues and expenses:  |                            |                          |
| Governmental grants  | (4,855,762)                | (3,745,315)              |
| Distribution of governmental grants  | 4,225,921                  | 2,983,745                |
| Contributed food   | (657,565)                  | (993,388)                |
| Distribution of contributed food   | 743,111                    | 964,385                  |
| Changes in assets and liabilities which impacted cash and cash equivalents:                                      |                            |                          |
| Certificates of deposit  | 658,477                    | (205,267)                |
| Grants and pledges receivable  | (134,120)                  | (325,804)                |
| Inventory  | 766,091                    | 305,665                  |
| Prepaid expenses and other current assets  | 3,974                      | (24,602)                 |
| Accounts payable   | 147,029                    | 5,611                    |
| Accrued payroll and related liabilities  | 19,890                     | 1,511                    |
| Net Cash and Cash Equivalents Provided by (Used in) Operating Activities   | <u>1,094,570</u>           | <u>(669,250)</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                            |                          |
| Acquisition of property and equipment  | (202,167)                  | (46,048)                 |
| Proceeds from sale of investments  | 386,487                    | 284,504                  |
| Purchase of investments  | <u>(366,465)</u>           | <u>(79,319)</u>          |
| Net Cash and Cash Equivalents (Used in) Provided by Investing Activities   | <u>(182,145)</u>           | <u>159,137</u>           |
| <b>Net Change in Cash and Cash Equivalents</b>   | <b>912,425</b>             | <b>(510,113)</b>         |
| Cash and Cash Equivalents at Beginning of Year   | <u>233,980</u>             | <u>744,093</u>           |
| <b>Cash and Cash Equivalents at End of Year</b>  | <b><u>\$ 1,146,405</u></b> | <b><u>\$ 233,980</u></b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

**Kalamazoo Loaves & Fishes, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

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**NOTE A – Summary of Significant Accounting Policies**

Organization Purpose

Kalamazoo Loaves & Fishes, Inc. (the “Organization”) is a not-for-profit organization whose mission is to feed hungry people and engage our community in the fight to end hunger. Revenues are derived principally from monetary contributions and food donations. The following are descriptions of the Organization’s six programs:

Grocery Pantry Program - Through a network of pantries and home deliveries all over Kalamazoo County and surrounding communities, non-perishable and fresh food items are provided to thousands of individuals each year.

Weekend Food Packs - Child-friendly food packs are provided to students at various local public schools in order to help bridge the weekend food gap.

Commodity Supplemental Food Program – Hundreds of senior citizens receive supplemental groceries each month. Food is directly distributed to local housing developments, social service organizations, and community centers.

Agency Meal Program - Food is provided to partner agencies who provide hot, prepared meals and/or pantry service to their clients.

Mobile Food Initiative - Supplemental grocery assistance is provided throughout community-wide locations each month to thousands of recipients each year.

Targeted Outreach - This program is designed to support individuals who are unable to secure food assistance from us in traditional ways for a variety of reasons. Food product and delivery methods are specific to the population we are trying to support (e.g. homeless encampments) and may be offered in partnership with another organization in the community (e.g. emergency packs for Kalamazoo Department of Public Safety officers to distribute).

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization records donor-restricted cash contributions that are received and expended in the same year as revenue without donor restrictions.

**Kalamazoo Loaves & Fishes, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

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**NOTE A – Summary of Significant Accounting Policies (Continued)**

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash is defined as cash in checking, savings, and money market accounts, and investments with an initial maturity of less than three months. The Organization has accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Cash held by the Organization in bank accounts may at times exceed the FDIC coverage limit. The amount in excess of FDIC limits approximated \$528,000 at June 30, 2025.

Certificate of Deposit

Certificates of deposit with maturity dates in excess of three months are recorded separately from cash equivalents at original cost, plus accrued interest.

Grants and Pledges Receivable

Grants and pledges receivable are regularly assessed for collectability on a case-by-case basis. If amounts are determined to be uncollectible, they are charged against operations at that time. The Organization considers all receivables to be fully collectible; accordingly, no allowance for uncollectible accounts has been recorded. Additionally, no amounts were written off as bad debt expense during 2025 or 2024.

Inventory

Inventory of purchased food is stated at the lower of purchase cost or net realizable value, with cost determined on a first-in, first-out (FIFO) basis. Donated food inventory is valued annually at the posted Feeding America cost standard (an effective valuation of \$1.97 per pound as of and for the year ended June 30, 2025).

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$2,500. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over their useful lives which range from three to forty years.

Contributions

The Organization recognizes contributions as revenue when they are unconditionally received or pledged, and records these revenues as with or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. Conditional contributions or promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions.

**Kalamazoo Loaves & Fishes, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

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**NOTE A – Summary of Significant Accounting Policies (Continued)**

Donated Services

No amounts have been reflected in the financial statements for donated professional services. The Organization pays for most services requiring specific expertise. However, volunteers donate many hours of services to the operation of the Organization including organizational mailings, packing of groceries, and other miscellaneous tasks.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain employee-related expenses such as compensation, benefits, and contracted services, and office-related expenses such as supplies, subscriptions, and travel are allocated by time, effort, and use. Program supplies and freight are allocated by pounds of food distributed. Building-related expenses such as utilities, depreciation, facilities costs, and repairs and maintenance are allocated based on square footage of the warehouse and office, while depreciation and repairs of equipment are based on the use of the specific capitalized asset. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different results.

Income Taxes

The Internal Revenue Service has determined the Organization to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Commitments and Contingencies

Grants may require the fulfillment of certain conditions set forth in the agreement. Failure to fulfill the conditions may result in the return of the funds to grantor. Although this is a possibility, management considers the possibility remote, since by accepting the grants, it has accommodated the objectives of the Organization to the provisions of the grants.

The Organization has participated in several federally assisted grant programs. These programs are subject to financial and compliance audits by the grantor or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes that any liability for reimbursement that may arise as the result of these audits would not be material.

Estimates

The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and report support, revenue and expenses. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through February 12, 2026, the date on which the financial statements were available to be issued.

**Kalamazoo Loaves & Fishes, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

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**NOTE B – Liquidity and Availability**

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations are due. Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprised the following as of June 30, 2025 and 2024:

|  | 2025                | 2024                |
|--|---------------------|---------------------|
| Cash and cash equivalents                      | \$ 1,146,405        | \$ 233,980          |
| Certificates of deposit                        | 55,518              | 713,995             |
| Grants and pledges receivable, current portion | 299,924             | 425,804             |
| Total available assets                         | 1,501,847           | 1,373,779           |
| Less: Net assets with donor restrictions       | (390,321)           | (237,206)           |
| Total assets available for operations          | <u>\$ 1,111,526</u> | <u>\$ 1,136,573</u> |

The Organization receives significant unrestricted contributions and restricted grants each year from donors, which are central to meet the annual cash needs for general expenditures. The Organization manages its liquidity and reserves in order to operate within a prudent range of financial soundness and stability and to fund near term and long-term needs utilizing budgets and monthly monitoring.

While management realizes there could be unanticipated liquidity needs, they believe that the financial assets in the table above are sufficient to meet operating needs within a minimum of one year of the statement of financial position date. In addition to the assets shown above, the Organization holds approximately \$3,034,000 and \$2,680,000 in Board-designated investments as of June 30, 2025 and 2024, respectively. These investments are designated by the Board for long-term purposes but could be repurposed by a majority Board vote for other needs of the Organization. The Organization also has access to an unsecured line of credit agreement with a bank (see Note G) which could be used to meet liquidity needs if necessary.

**NOTE C – Grants and Pledges Receivable**

The composition of receivables at June 30 is as follows:

|  | 2025              | 2024              |
|--|-------------------|-------------------|
| Grant reimbursements to be collected in less than one year | \$ 169,924        | \$ 250,804        |
| Pledges to be collected in less than one year              | 130,000           | 175,000           |
| Pledges to be collected in one to five years               | 260,000           | -                 |
| Discount to net present value                              | (27,378)          | -                 |
| Total grants and pledges receivable, net                   | <u>\$ 532,546</u> | <u>\$ 425,804</u> |

Pledges to be collected beyond one year from the statement of financial position date are measured at the present value of estimated cash flows using a discount rate in effect during the year in which the pledge was made to the Organization. The discount included against grants receivable at June 30, 2025 was calculated using a rate of 4.0 percent.

**Kalamazoo Loaves & Fishes, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

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**NOTE D – Inventory**

Inventories at June 30, 2025 and 2024 include the following:

|                            | 2025              | 2024              |
|----------------------------|-------------------|-------------------|
| Purchased inventory        | \$ 124,672        | \$ 108,810        |
| In-kind contributions      | 72,544            | 130,936           |
| Received from USDA - TEFAP | 504,152           | 698,612           |
| Received from USDA - CSFP  | 68,616            | 53,422            |
| Balance at June 30         | <u>\$ 769,984</u> | <u>\$ 991,780</u> |

**NOTE E – Property and Equipment**

Property and equipment consist of the following at June 30, 2025 and 2024:

|                                    | 2025                | 2024                |
|------------------------------------|---------------------|---------------------|
| Land and improvements              | \$ 459,762          | \$ 459,762          |
| Building and improvements          | 2,499,770           | 2,471,634           |
| Equipment, furniture, and fixtures | 1,258,299           | 1,236,749           |
| Vehicles                           | 480,098             | 480,098             |
| Construction in progress           | 158,680             | 6,200               |
| Total Property and Equipment       | <u>4,856,609</u>    | <u>4,654,443</u>    |
| Less: Accumulated depreciation     | <u>(2,189,037)</u>  | <u>(1,986,614)</u>  |
| Net Property and Equipment         | <u>\$ 2,667,572</u> | <u>\$ 2,667,829</u> |

**NOTE F – Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). In instances whereby inputs used to measure fair value fall into different levels of the hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

**Kalamazoo Loaves & Fishes, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

**NOTE F – Fair Value Measurements (Continued)**

Fair values determined by Level 3 inputs use other inputs that are not observable due to little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management’s own estimates using pricing models, discounted cash flow methodologies, or similar techniques which take into account the characteristic of the asset or liability.

The Organization’s policy is to recognize transfers amongst the different levels of the fair value hierarchy as of the end of the reporting period. There were no transfers amongst the fair value classifications during 2025.

The following table summarizes the fair value of the Organization’s investments by the aforementioned valuation categories at June 30, 2025:

|                                 | Total               | Fair Value Measurements at June 30, 2025           |  |  |
|---------------------------------|---------------------|--|--|--|
|                                 |                     | Quoted Prices<br>in Active<br>Markets<br>(Level 1) | Prices with<br>Other Observable<br>Inputs<br>(Level 2) | Prices with<br>Unobservable<br>Inputs<br>(Level 3) |
| Investments at Fair Value:      |                     |  |  |  |
| Money market funds              | \$ 13,051           | \$ 13,051  | \$ -   | \$ -   |
| Mutual funds                    | 412,450             | 412,450  | -  | -  |
| Exchange traded funds           | 1,381,917           | 1,381,917  | -  | -  |
| U.S. Government bonds           | 711,456             | -  | 711,456  | -  |
| Corporate bonds                 | 515,479             | -  | 515,479  | -  |
| Total investments at fair value | <u>\$ 3,034,353</u> | <u>\$ 1,807,418</u>                                | <u>\$ 1,226,935</u>                                    | <u>\$ -</u>  |

The following table summarizes the fair value of the Organization’s investments by the aforementioned valuation categories at June 30, 2024:

|                                 | Total               | Fair Value Measurements at June 30, 2024           |  |  |
|---------------------------------|---------------------|--|--|--|
|                                 |                     | Quoted Prices<br>in Active<br>Markets<br>(Level 1) | Prices with<br>Other Observable<br>Inputs<br>(Level 2) | Prices with<br>Unobservable<br>Inputs<br>(Level 3) |
| Investments at Fair Value:      |                     |  |  |  |
| Money market funds              | \$ 31,182           | \$ 31,182  | \$ -   | \$ -   |
| Mutual funds                    | 331,744             | 331,744  | -  | -  |
| Exchange traded funds           | 951,719             | 951,719  | -  | -  |
| Stocks, options, and ETF's      | 280,028             | 280,028  | -  | -  |
| U.S. Government bonds           | 594,435             | -  | 594,435  | -  |
| Corporate bonds                 | 490,963             | -  | 490,963  | -  |
| Total investments at fair value | <u>\$ 2,680,071</u> | <u>\$ 1,594,673</u>                                | <u>\$ 1,085,398</u>                                    | <u>\$ -</u>  |

**Kalamazoo Loaves & Fishes, Inc.**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

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**NOTE F – Fair Value Measurements (Continued)**

The fair value of the Organization’s corporate and government bonds at June 30, 2025 and 2024 was primarily determined based on Level 2 inputs. The Organization estimates the fair value of these investments using recent transactions, broker quotations and bond spread information provided by its investment custodian.

**NOTE G – Line of Credit**

The Organization has a \$500,000 unsecured line of credit agreement with a bank, under which borrowings bear interest at the bank’s prime rate plus 0.25 percent (an effective rate of 7.75 percent as of June 30, 2025). As of June 30, 2025, there were no outstanding borrowings on the line of credit.

**NOTE H – Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following at June 30, 2025 and 2024:

|  | 2025       | 2024       |
|--|------------|------------|
| Time-restricted pledges receivable       | \$ 362,622 | \$ 175,000 |
| Restricted for future use                | -          | 35,000     |
| Restricted for specific purposes         | 260,321    | 27,206     |
| Total Net Assets With Donor Restrictions | \$ 622,943 | \$ 237,206 |

**NOTE I – Retirement Plan**

The Organization has a defined contribution 403(b) plan covering full-time employees over age 21 who have attained 1,000 hours of service within a twelve-month period. Contributions are made by the Organization at 5 percent of each employee’s gross annual pay. Total employer contributions approximated \$55,300 and \$58,200 for the years ended June 30, 2025 and 2024, respectively.

**SUPPLEMENTARY INFORMATION**

**Kalamazoo Loaves & Fishes, Inc.**  
**Schedule of Program Service Expenses**  
**For the Year Ended June 30, 2025**

|                                  | <b>Grocery<br/>Pantry<br/>Program</b> | <b>Weekend<br/>Food Packs</b> | <b>Commodity<br/>Supplemental<br/>Food Program</b> | <b>Agency<br/>Meal Program</b> | <b>Mobile<br/>Food<br/>Initiative</b> | <b>Targeted<br/>Outreach</b> | <b>Total<br/>Program<br/>Services</b> |
|----------------------------------|---------------------------------------|-------------------------------|--|--------------------------------|---------------------------------------|------------------------------|---------------------------------------|
| Compensation and fringes         | \$ 862,137                            | \$ 25,331                     | \$ 37,327  | \$ 112,278                     | \$ 111,881                            | \$ 23,174                    | \$ 1,172,128                          |
| Consultants and contractors      | 48,894                                | 1,932                         | 13,808   | 8,259                          | 8,208                                 | 1,718                        | 82,819                                |
| Cost of food distributed:        |                                       |                               |  |                                |                                       |                              |                                       |
| Direct purchases                 | 1,058,427                             | 192,621                       | -  | 76,860                         | 23,784                                | 48,752                       | 1,400,444                             |
| In-kind contributions and grants | 3,815,094                             | -                             | 272,670  | 746,343                        | 794,430                               | 122,448                      | 5,750,985                             |
| Depreciation                     | 136,031                               | 4,145                         | 5,871  | 17,736                         | 17,628                                | 3,698                        | 185,109                               |
| Insurance                        | 9,863                                 | 390                           | 552  | 1,666                          | 1,656                                 | 346                          | 14,473                                |
| Licenses and dues                | 558                                   | 22                            | 31   | 94                             | 94                                    | 20                           | 819                                   |
| Payroll taxes                    | 53,981                                | 1,692                         | 2,396  | 7,233                          | 7,189                                 | 1,504                        | 73,995                                |
| Printing                         | 594                                   | -                             | -  | -                              | -                                     | -                            | 594                                   |
| Rent and utilities               | 49,792                                | 1,427                         | 2,021  | 6,106                          | 6,068                                 | 1,273                        | 66,687                                |
| Repairs and maintenance          | 80,258                                | 2,740                         | 3,878  | 11,709                         | 11,638                                | 2,435                        | 112,658                               |
| Software licensing               | 5,095                                 | 18                            | 25   | 76                             | 75                                    | 16                           | 5,305                                 |
| Staff development                | 3,029                                 | 120                           | 169  | 512                            | 509                                   | 106                          | 4,445                                 |
| Supplies                         | 73,384                                | 773                           | 3,758  | 3,303                          | 4,035                                 | 3,366                        | 88,619                                |
| Telephone                        | 8,770                                 | 211                           | 299  | 900                            | 895                                   | 187                          | 11,262                                |
| Transportation                   | 105,302                               | 3,040                         | 4,303  | 12,991                         | 12,993                                | 2,763                        | 141,392                               |
| <b>Total Expenses</b>            | <b>\$ 6,311,209</b>                   | <b>\$ 234,462</b>             | <b>\$ 347,108</b>                                  | <b>\$ 1,006,066</b>            | <b>\$ 1,001,083</b>                   | <b>\$ 211,806</b>            | <b>\$ 9,111,734</b>                   |

The Accompanying Notes are an Integral Part of These Financial Statements.

**Kalamazoo Loaves & Fishes, Inc.**  
**Schedule of Program Service Expenses**  
**For the Year Ended June 30, 2024**

|                                  | <b>Grocery<br/>Pantry<br/>Program</b> | <b>Weekend<br/>Food Packs</b> | <b>Commodity<br/>Supplemental<br/>Food Program</b> | <b>Agency<br/>Meal Program</b> | <b>Mobile<br/>Food<br/>Initiative</b> | <b>Targeted<br/>Outreach</b> | <b>Total<br/>Program<br/>Services</b> |
|----------------------------------|---------------------------------------|-------------------------------|--|--------------------------------|---------------------------------------|------------------------------|---------------------------------------|
| Compensation and fringes         | \$ 810,551                            | \$ 13,595                     | \$ 42,184  | \$ 55,752                      | \$ 59,069                             | \$ 19,074                    | \$ 1,000,225                          |
| Consultants and contractors      | 62,908                                | 1,514                         | 18,469   | 5,640                          | 5,924                                 | 1,988                        | 96,443                                |
| Cost of food distributed:        |                                       |                               |  |                                |                                       |                              |                                       |
| Direct purchases                 | 1,252,968                             | 105,508                       | -  | 80,092                         | 52,992                                | 63,951                       | 1,555,511                             |
| In-kind contributions and grants | 3,132,089                             | -                             | 290,582  | 313,014                        | 359,925                               | 74,646                       | 4,170,256                             |
| Depreciation                     | 150,592                               | 2,956                         | 8,161  | 11,036                         | 11,582                                | 3,888                        | 188,215                               |
| Insurance                        | 9,084                                 | 219                           | 602  | 815                            | 855                                   | 287                          | 11,862                                |
| Licenses and dues                | 444                                   | 11                            | 29   | 39                             | 42                                    | 14                           | 579                                   |
| Marketing                        | 77                                    | 2                             | 5  | 7                              | 7                                     | 2                            | 100                                   |
| Payroll taxes                    | 53,479                                | 1,011                         | 2,784  | 3,766                          | 3,955                                 | 1,328                        | 66,323                                |
| Rent and utilities               | 47,332                                | 828                           | 2,287  | 3,092                          | 3,246                                 | 1,089                        | 57,874                                |
| Repairs and maintenance          | 52,019                                | 1,028                         | 2,832  | 4,610                          | 6,201                                 | 2,909                        | 69,599                                |
| Software licensing               | 5,967                                 | 38                            | 106  | 143                            | 151                                   | 51                           | 6,456                                 |
| Staff development                | 1,774                                 | 43                            | 118  | 159                            | 166                                   | 56                           | 2,316                                 |
| Supplies                         | 82,211                                | 696                           | 6,716  | 2,008                          | 2,109                                 | 2,613                        | 96,353                                |
| Telephone                        | 9,369                                 | 162                           | 448  | 605                            | 636                                   | 214                          | 11,434                                |
| Transportation                   | 70,249                                | 1,148                         | 3,163  | 4,278                          | 4,494                                 | 1,509                        | 84,841                                |
| Volunteer support                | 365                                   | 5                             | 13   | 18                             | 18                                    | 6                            | 425                                   |
| <b>Total Expenses</b>            | <b>\$ 5,741,478</b>                   | <b>\$ 128,764</b>             | <b>\$ 378,499</b>                                  | <b>\$ 485,074</b>              | <b>\$ 511,372</b>                     | <b>\$ 173,625</b>            | <b>\$ 7,418,812</b>                   |

The Accompanying Notes are an Integral Part of These Financial Statements.

**SINGLE AUDIT REPORT**

# SEBER TANS, PLC

CONSULTANTS & 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 the Board of Directors  
Kalamazoo Loaves & Fishes, Inc.

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 Kalamazoo Loaves & Fishes, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2026.

## **Report on Internal Control over Financial Reporting**

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

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

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

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

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

### **Purpose of this Report**

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

*Seber Tans, PLC*

Seber Tans, PLC  
Kalamazoo, Michigan  
February 12, 2026

# SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
Kalamazoo Loaves & Fishes, Inc.

### Report on Compliance for Each Major Federal Program

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

We have audited Kalamazoo Loaves & Fishes, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization'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, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

We are required to be independent of the Organization 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 the Organization'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 the Organization'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 the Organization'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 judgement made by a reasonable user of the report on compliance about Organization'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 judgement 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 Organization'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 the Organization'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 the Organization'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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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.

*Seber Tans, PLC*

Seber Tans, PLC  
Kalamazoo, Michigan  
February 12, 2026

**Kalamazoo Loaves & Fishes, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

| Federal Grantor / Program Title   | Federal Assistance Listing Number | Federal Expenditures |
|---|-----------------------------------|----------------------|
| <b>U.S. Department of Agriculture</b>   |                                   |                      |
| <b>Food Distribution Cluster:</b>   |                                   |                      |
| 2024-2025 Commodity Supplemental Food Program (Administrative Costs)          |                                   |                      |
| Commodity Supplemental Food Program   | 10.565                            | \$ 37,889            |
| Total 2024-2025 Commodity Supplemental Food Program (Administrative Costs)    |                                   | 37,889               |
| 2024-2025 Commodity Supplemental Food Program (Food Commodities)              |                                   |                      |
| Commodity Supplemental Food Program   | 10.565                            | 244,291              |
| Total 2024-2025 Commodity Supplemental Food Program (Food Commodities)        |                                   | 244,291              |
| 2024-2025 Emergency Food Assistance Program (Administrative Costs)            |                                   |                      |
| The Emergency Food Assistance Program   | 10.568                            | 61,215               |
| The Emergency Food Assistance Program (Commodity Credit Corporation)          | 10.568                            | 97,749               |
| The Emergency Food Assistance Program (Reach and Resiliency Grant Initiative) | 10.568                            | 53,364               |
| Total 2024-2025 Emergency Food Assistance Program (Administrative Costs)      |                                   | 212,328              |
| 2023-2024 Emergency Food Assistance Program (Food Commodities)                |                                   |                      |
| The Emergency Food Assistance Program   | 10.569                            | 27,832               |
| The Emergency Food Assistance Program (Bonus Foods)                           | 10.569                            | 1,185,328            |
| The Emergency Food Assistance Program (Commodity Credit Corporation)          | 10.569                            | 1,525,917            |
| Total 2023-2024 Emergency Food Assistance Program (Food Commodities)          |                                   | 2,739,077            |
| 2024-2025 Emergency Food Assistance Program (Food Commodities)                |                                   |                      |
| The Emergency Food Assistance Program   | 10.569                            | 134,103              |
| The Emergency Food Assistance Program (Bonus Foods)                           | 10.569                            | 594,925              |
| The Emergency Food Assistance Program (Commodity Credit Corporation)          | 10.569                            | 381,632              |
| Total 2024-2025 Emergency Food Assistance Program (Food Commodities)          |                                   | 1,110,660            |
| <b>Total Food Distribution Cluster</b>  |                                   | 4,344,245            |
| <b>Total U.S. Department of Agriculture</b>                                   |                                   | 4,344,245            |
| <b>U.S. Department of Homeland Security</b>                                   |                                   |                      |
| Emergency Food and Shelter Program (Phase 41)                                 | 97.024                            | 13,500               |
| <b>Total U.S. Department of Homeland Security</b>                             |                                   | 13,500               |
| <b>Total Expenditures of Federal Awards</b>                                   |                                   | \$ 4,357,745         |

See Independent Auditor's Report and the Notes to the Schedule of Expenditures of Federal Awards.

**Kalamazoo Loaves & Fishes, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

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**NOTE A – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE B – Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented when applicable and where available.

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE C – Food Commodities**

Nonmonetary assistance is reported based on the commodities received and disbursed. The value per pound is established by guidelines published by Feeding America, a nationally recognized food donation charity.

**NOTE D – Subrecipients**

No amounts were provided to subrecipients.

**Kalamazoo Loaves & Fishes, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2025**

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**SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? No

Significant deficiency identified that is not considered to be a material weakness? No

Noncompliance material to financial statements noted? No

Federal Awards

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

Internal control over major programs:

Material weakness identified? No

Significant deficiency identified that is not considered to be a material weakness? No

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Section 500.516(a)? No

**Major programs:**

**FAL Number(s)**

10.565, 10.568, 10.569

**Name of Federal Program or Cluster**

Food Distribution Cluster

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

Auditee qualified as low-risk auditee? No

**Kalamazoo Loaves & Fishes, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2025**

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**SECTION II – CURRENT YEAR FINANCIAL STATEMENT FINDINGS**

None noted.

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

None noted.

**SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.