

Dilgard Frozen Foods, Inc.

FINANCIAL STATEMENTS

With Accountant's Compilation Report

August 31, 2023 and 2022

Dilgard Frozen Foods, Inc.

Financial Statements with Supplemental Information August 31, 2023 and 2022

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ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Dilgard Frozen Foods, Inc.
Fort Wayne, IN

Management is responsible for the accompanying financial statements of Dilgard Frozen Foods, Inc. (an S Corporation), which comprise the balance sheets as of August 31, 2023 and 2022 and the related statements of income, retained earnings and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that marketable securities be carried at fair market value and any change between years should be reflected within net income. Management maintains marketable securities at cost and the impact is to understate assets and stockholders' equity by \$30,302 at August 31, 2023 and overstate assets and stockholders' equity by \$30,045 at August 31, 2022.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Dilgard transportation Corporation (DTC) is a separate C Corp entity that shares common ownership and economic activities with Dilgard Frozen Foods, Inc (DFFC). For financial reporting purposes, DTC is considered a variable interest entity to DFFC and reporting standards require consolidated financial reporting. Management has elected to include DTC within the DFFC compiled financial statements and also for 8/31/22 for comparative purposes. The net result of including DTC within these financial statements is to increase stockholder equity by \$217,151 and \$150,024 at 8/31/23 and 8/31/22 respectively, and increase net income by \$67,127 and \$63,290 for years ending 8/31/23 and 8/31/22.

Supplementary Information

The supplementary information contained on pages 6-7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We do not express an opinion, a conclusion, nor provide assurance on such information.

We are not independent with respect to Dilgard Frozen Foods, Inc.

Fort Wayne, Indiana
November 2, 2023



Dilgard Frozen Foods, Inc.
Balance Sheets
As of August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash		
Accounts receivable, net of reserve		
Other receivables - ERC		
Inventory		
Prepaid expense		
Total Current Assets		
PROPERTY & EQUIPMENT		
Building & improvements		
Warehouse & office equipment		
Meat & coffee equipment		
Trucks		
Less: Accumulated depreciation & amortization		
OTHER ASSETS		
Goodwill		
Marketable securities at cost		
Other investments		
Deposits		
TOTAL ASSETS		
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable		
Accrued wages, bonuses & taxes		
Total Current Liabilities		
STOCKHOLDERS' EQUITY		
Capital stock		
Treasury stock		
Retained earnings		
TOTAL LIABILITIES AND STOCKHOLDERS' CAPITAL		

See Accountant's Compilation Report.

Dilgard Frozen Foods, Inc.
Statements of Income
For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>Percent</u>	<u>2022</u>	<u>Percent</u>
SALES				
Cost of Sales				
GROSS PROFIT ON SALES				
Fuel Delivery Surcharge				
Commodity Income				
Marketing Funds Income				
GROSS PROFIT				
EXPENSES				
Operating				
Selling & Administrative				
OPERATING INCOME (LOSS)				
OTHER INCOME (EXPENSE)				
Investment income				
COVID relief grant				
Other income				
Income taxes				
NET INCOME				

See Accountant's Compilation Report

Dilgard Frozen Foods, Inc.
Statements of Retained Earnings
For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
RETAINED EARNINGS - beginning		
Add: Net income		
Less: Dividend distributions		
RETAINED EARNINGS - ending		

See Accountant's Compilation Report

Dilgard Frozen Foods, Inc.
Statements of Cash Flows
For the Years Ended August 31, 2023 and 2022

	2023	2022
OPERATING ACTIVITIES:		
Net Income		
Adjustments to reconcile net income to net cash provided by operating activities:		
PPP loan forgiveness		
Depreciation & amortization		
Changes in operating assets and liabilities:		
Accounts receivable		
Inventory		
Prepaid expense		
Deposits		
Accounts payable		
Accrued taxes and payroll		
Due to Dilgard Transportation Company		
Net cash provided (used) by operating activities		
INVESTING ACTIVITIES		
Net (increase) in marketable securities		
Purchases of property and equipment		
Net cash used in investing activities		
FINANCING ACTIVITIES		
Dividend distributions		
Net cash used by financing activities		
NET DECREASE IN CASH		
CASH - BEGINNING OF THE YEAR		
CASH - END OF THE YEAR		

See Accountant's Compilation Report.

Dilgard Frozen Foods, Inc.
Schedules of Gross Profit on Sales
For the Years Ended August 31, 2023 and 2022

	2023	
	COST OF	GROSS
Institutional frozen		
Institutional dry		
Produce		
Meat		
Ice cream		
Discounts received		
Gross profit		
Institutional frozen		
Institutional dry		
Produce		
Meat		
Ice cream		
Discounts received		
Gross profit		

Dilgard Frozen Foods, Inc.
Schedules of Expenses
For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>Percent</u>	<u>2022</u>	<u>Percent</u>
OPERATING				
Warehouse/driver salaries				
Payroll taxes				
Depreciation				
Licenses & permits				
Insurance				
Employee insurance				
Truck fuel				
Truck maintenance				
Truck leasing				
Outside trucking - commodities				
Utilities				
Repairs & maintenance				
Operating supplies				
Property & use taxes				
Ohio taxes				
Laundry				
Leasing equipment				
SELLING & ADMINISTRATIVE				
Sales salaries				
Office salaries				
Management salaries				
Auto reimbursement				
Payroll taxes				
Depreciation				
Postage & office supplies				
Director fees				
Advertising				
Telephone				
Donations				
Travel & entertainment				
Professional fees				
Consulting fees				
Personnel relations				
Bank service charges				
IT supplies & maintenance				
IT service				
Education & seminars				
Bad debts (recoveries)				
Dues & publications				
Miscellaneous				