FOODLINK FOUNDATION, INC.
AND SUBSIDIARY

Consolidated Financial Statements as of
June 30, 2026
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Accounting, Consulting & More

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INDEPENDENT AUDITOR'S REPORT

October 9, 2026

To the Board of Directors of
Foodlink Foundation, Inc and Subsidiary:

Opinion
We have audited the accompanying consolidated financial statements of Foodlink Foundation, Inc. (a New York not-for-profit corporation) and Subsidiary (collectively, the Foundation) which comprise the consolidated balance sheet as of June 30, 2026, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026, and the changes in their net assets and their 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. 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 the Foundation 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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(Continued)

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

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Foundation'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Report on Summarized Comparative Information
We have previously audited the Foundation's 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bonadio & Co. LLP

FOODLINK FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET
JUNE 30, 2026
(With Comparative Totals for 2025)

	2026	2025
ASSETS		
CASH AND EQUIVALENTS	$ 304,448	$ 344,153
DUE FROM FOODLINK, INC.	-	16,071
INVESTMENTS	8,691,683	7,627,410
PROPERTY AND EQUIPMENT, net	4,230,566	4,361,303
Total assets	$ 13,226,697	$ 12,348,937
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 6,922	$ 59,548
Due to Foodlink, Inc.	247,740	-
Note payable	1,597,729	3,492,626
Long-term debt	2,201,933	2,289,180
Total liabilities	4,054,324	5,841,354
NET ASSETS:		
Without donor restrictions	7,793,541	5,335,345
With donor restrictions	1,378,832	1,172,238
Total net assets	9,172,373	6,507,583
Total liabilities and net assets	$ 13,226,697	$ 12,348,937

The accompanying notes are an integral part of these statements.

FOODLINK FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2026
(With Comparative Totals for 2025)

	Without Donor Restrictions	With Donor Restrictions	Total 2026	Total 2025
REVENUE:				
Rental income	$ 334,006	$ -	$ 334,006	$ 497,077
Contributions	323,620	-	323,620	170,327
Interest from investments and cash and equivalents	330,440	-	330,440	220,909
Interest from loans receivable	-	-	-	43,083
Total Revenue	988,066	-	988,066	931,396
EXPENSES:				
Program services	600,005	-	600,005	458,014
Management and general	121,153	-	121,153	96,097
Fundraising	18,045	-	18,045	35,257
Total expenses	739,203	-	739,203	589,368
CHANGE IN NET ASSETS BEFORE OTHER ITEMS	248,863	-	248,863	342,028
OTHER ITEMS:				
Investment income, net	581,853	206,594	788,447	452,677
Contributions from Foodlink, Inc.	1,877,480	-	1,877,480	2,769,574
Contributions to Foodlink, Inc.	(250,000)	-	(250,000)	-
Transfer of equity in Foodlink Farms, LLC to Foodlink, Inc.	-	-	-	(115,592)
Provision for credit losses on loans receivable	-	-	-	(6,240,000)
Net other items	2,209,333	206,594	2,415,927	(3,133,341)
CHANGE IN NET ASSETS	2,458,196	206,594	2,664,790	(2,791,313)
NET ASSETS - beginning of year	5,335,345	1,172,238	6,507,583	9,298,896
NET ASSETS - end of year	$ 7,793,541	$ 1,378,832	$ 9,172,373	$ 6,507,583

The accompanying notes are an integral part of these statements.

FOODLINK FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026
(With Comparative Totals for 2025)

	Program Services	Management and General	Fundraising	Total 2026	Total 2025
Contributions and donations	$ 172,292	$ -	$ -	$ 172,292	$ 25,706
Depreciation	130,737	-	-	130,737	131,050
Occupancy	34,184	6,725	61	40,970	44,124
Interest	254,173	-	-	254,173	233,437
Contracted services	6,047	58,214	17,649	81,910	74,285
Data processing and bank fees	1,805	40,408	271	42,484	53,407
Professional fees	-	12,100	-	12,100	15,624
Office expenses	750	2,363	-	3,113	2,633
Insurance	-	74	24	98	64
Supplies	-	979	-	979	8,543
Other	17	290	40	347	495
	$ 600,005	$ 121,153	$ 18,045	$ 739,203	$ 589,368

The accompanying notes are an integral part of these statements.

FOODLINK FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026
(With Comparative Totals for 2025)

	2026	2025
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 2,664,790	$ (2,791,313)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Investment income, net	(1,018,210)	(452,677)
Depreciation	130,737	131,050
Transfer of equity in Foodlink Farms, LLC to Foodlink, Inc.	-	115,592
Contribution from Foodlink, Inc. for capital purposes	(1,877,480)	(2,769,574)
Provision for credit loss on loans receivable	-	6,240,000
Changes in:		
Due to Foodlink, Inc.	263,811	(156,078)
Accounts payable and accrued expenses	(52,626)	59,058
Net cash flow from operating activities	111,022	376,058
CASH FLOW FROM INVESTING ACTIVITIES:		
Cash disbursed with Foodlink Farms, LLC transfer	-	(19,019)
Origination of loans receivable	-	(6,240,000)
Purchases of investments	(2,326,328)	(7,020,412)
Proceeds from sales of investments	2,280,265	6,571,199
Net cash flow from investing activities	(46,063)	(6,708,232)
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings on note payable	807,374	3,492,626
Contribution from Foodlink, Inc. for capital purposes	1,877,480	2,769,574
Principal payments on long-term debt	(87,247)	(75,420)
Principal payments on notes payable	(2,702,271)	-
Net cash flow from financing activities	(104,664)	6,186,780
CHANGE IN CASH AND EQUIVALENTS	(39,705)	(145,394)
CASH AND EQUIVALENTS - beginning of year	344,153	489,547
CASH AND EQUIVALENTS - end of year	$ 304,448	$ 344,153

The accompanying notes are an integral part of these statements.

1. THE FOUNDATION

Foodlink Foundation, Inc. (the Foundation) is a not-for-profit foundation incorporated under New York State not-for-profit corporation laws.

The Foundation was formed to provide funding and support for anti-hunger programs and initiatives in the Greater Rochester, New York area. The Foundation is the sole corporate member of 2011 Mt. Read, LLC (Mt. Read). Mt. Read was formed for the purpose of owning, leasing, and improving real property to be used exclusively for charitable purposes.

Through November 2024, the Foundation was the sole corporate member of Foodlink Farm, LLC (Foodlink Farm). In November 2024, Foodlink Farm changed its name to 585 Lexington Holdings, LLC and was re-organized with its sole corporate member being Foodlink, Inc.

Collectively, the Foundation and Mt. Read are referred to as the Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Principles of Consolidation
These consolidated financial statements include the accounts of the Foundation and Mt. Read. Intercompany balances and transactions have been eliminated in consolidation.

Financial Reporting
Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. The Foundation uses the following classifications of net assets:

- **Net Assets Without Donor Restrictions**
  Net assets without donor restrictions are utilized to carry out the general activities and operations of the Foundation and are not subject to donor-imposed stipulations.

- **Net Assets With Donor Restrictions**
  Net assets with donor restrictions are subject to donor-imposed stipulations. These stipulations may expire by the passage of time or be satisfied by actions of the Foundation pursuant to those stipulations or remain in perpetuity.

Comparative Information
The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements as of and for the year ended June 30, 2025, from which the summarized information was derived.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Equivalents

Cash and equivalents include bank demand deposit and money market accounts. At times, the balances in the demand deposit accounts may exceed federally insured limits. Balances in money market accounts are not federally insured. The Foundation has not experienced any losses in such accounts and believe they are not exposed to any significant credit risk with respect to cash and equivalents.

Contributions

Contributions are recorded at the time of receipt or when evidence of an unconditional promise to give has been received. Promises subject to conditions are not recorded as revenue until those conditions have been met. Contributions that are expected to be received in future years are recorded at their present value. Contributions are recorded as without donor restrictions, unless they are subject to donor restrictions or are required to be used or expected to be received in future years.

Investments

Investments are recorded at fair value based on quoted market prices. Investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amount reported in the accompanying financial statements.

Fair Value Measurement - Definition and Hierarchy

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Foundation uses various valuation techniques in determining fair value. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability, developed based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's assumptions about the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The input hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

- Level 2 – Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly, or indirectly.

- Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Market Tax Credit Projects and Loans Receivable

During the year ended June 30, 2025, the Foundation, Foodlink, Inc. (Foodlink), and a third-party bank entered into arrangements to obtain New Market Tax Credits (NMTC) to finance certain property improvement activities for Foodlink.

The NMTC program was established to encourage private investment in low-income communities. Through this program, a private investor partners with an organization that serves such communities through the formation of a Community Development Entity (CDE). The CDE channels investor capital, via low-interest loans and/or equity investments, to businesses and not-for-profit organizations with development projects in low-income areas. The investor receives federal tax credits equal to 39% of the total project costs, to be received over seven years. The CDE also obtains funding from a “leveraged lender” in an amount that enhances the community impact of each project and allows for a tax credit claim that provides an appropriate return to the investor. These development projects are known as Qualified Active Low-Income Community Businesses (QUALICBs).

After the end of the seven-year tax credit claim period, the investor typically transfers or sells its ownership interest in the CDE to the not-for-profit Foundation for little to no consideration and the arrangement is “unwound,” with the assets financed through the CDE becoming assets of the not-for-profit organization. Given this sequence of transactions, the not-for-profit organization obtains the long-term benefit of the investment in the project without having to incur or repay the initial capital investment.

The Foundation, Foodlink, and a third-party bank entered into two QUALICBs during the year ended June 30, 2025; one related to Foodlink’s program site at 2011 Mt. Read Boulevard and the other related to Foodlink’s Community Farm program site at 585 Lexington Avenue. Foodlink itself serves as QUALICB for the 2011 Mt. Read project while a Foodlink subsidiary, 585 Lexington Benefit Corporation, serves as QUALICB for the 585 Lexington Avenue site. For both projects, Foodlink and the investor entered into a “put and call agreement” that allows Foodlink to purchase the CDE for $1,000 after the end of the tax credit period, effectively ensuring that the “unwinding” process can occur at that time.

The Foundation serves as the leveraged lender for both projects. At June 30, 2025, the Foundation held loans receivable from the CDE totaling $6,240,000 that were originated as part of the funding of both QUALICBs during the year ended June 30, 2025. Based on the terms and projected activity of these NMTC arrangements, including the elements related to the projects being “unwound” after the seven-year tax credit period, the Foundation has determined that there is a high likelihood that these loan balances will not be collected. This determination is consistent with the idea that, ultimately, the NMTC arrangements will be unwound and benefit Foodlink in a manner that is consistent with the Foundation’s mission. The entire balance of the loans was charged to expense as provision for credit losses on loans receivable during the year ended June 30, 2025.

These loans bear interest at a fixed rate of 1.376%, which the Foundation expects to receive as cash payments from the borrower going forward. The Foundation elected to not consider these payments from the borrower when evaluating its credit loss write-off of the loan principal, and accounts for these payments from the borrower as interest income as cash interest payments are received rather than as a recovery of the written-off loan principal. This loan income is reported as interest from loans receivable on the accompanying statement of activities and change in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases as a Lessor

The Foundation determines if an arrangement is a lease at inception. The Foundation reassesses the determination of whether an arrangement is a lease if the terms and conditions of the contract are changed. The Foundation recognizes revenue on a straight-line basis over the lease term. The Foundation recognizes variable lease payments as revenue in the period incurred.

The Foundation elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for as a single lease component. The single lease component is accounted for under GAAP.

At lease commencement, the Foundation estimates the residual value of the leased asset at the end of the lease term, considering the asset's remaining useful life, expected market condition, and expected use (e.g., sell or lease). The Foundation's ability to realize the residual value at the end of the lease term could be adversely affected by unusual wear and tear of the leased asset. This risk is managed through periodic inspection of the asset for condition and possible misuse.

Property and Equipment

Property and equipment are recorded at cost or at the fair value on the date of donation. The Foundation's policy is to capitalize all property and equipment purchases greater than $10,000 having an estimated useful life in excess of one year. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Buildings	39 years
Furniture and equipment	5 years
Vehicles	5 years

Advertising

Advertising costs are charged to expense as incurred.

Allocation of Certain Expenses

The statement of functional expenses presents expenses by both functional and natural classification. Certain categories of expenses are attributable to one or more program or supporting functions, and these expenses are allocated to the reported functional columns. Occupancy related expenses are allocated based on square footage used.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

The Foundation is a not-for-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

Mt. Read is also exempt from federal income tax because their sole corporate member (the Foundation) is exempt from federal income tax under section 501(a) of the Internal Revenue Code. Mt. Read receives the benefit of its sole corporate member's tax-exempt status and is a disregarded entity for income tax purposes.

3. LIQUIDITY

The Foundation is supported by contributions without donor restrictions and revenue generated by their operations. In addition, some support is received in the form of restricted contributions from donors. Because a donor restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets reported on the accompanying balance sheets may not be available for general expenditure within one year of the balance sheet date.

The Foundation's financial assets available within one year of the balance sheet date for general expenditures, consisting of cash and equivalents and investments, were as follows at June 30:

	2026	2025
Financial assets	$ 8,996,131	$ 7,971,563
Less: Financial assets unavailable for general expenditures within one year, due to donor restrictions	(1,378,833)	(1,172,238)
Financial assets available to meet cash needs for general expenditures within one year	$ 7,617,298	$ 6,799,325

4. RELATED PARTY TRANSACTIONS

Foodlink, Inc.
Foodlink is organized to provide oversight to the emergency food network, including food pantries, soup kitchens, emergency shelters, and other charitable nonprofits, in Monroe County, New York and nine surrounding counties. The Foundation and Foodlink are related by common management but are governed by separate Boards that have only a minority of common directors, which constitutes a "brother-sister" relationship with no common control.

Related-party lease
The Foundation has a lease with Foodlink for the use of the property located at 2011 Mt. Read Blvd, Rochester, New York. Under the related-party lease, the rent payment is based on required carrying costs, primarily principal and interest paid under the Foundation's mortgage on the leased property. The lease payments are calculated annually and are scheduled to terminate on December 31, 2037. During 2026 and 2025, the Foundation recognized rent income from Foodlink of $531,079 and $496,325, respectively.

Services received from Foodlink, Inc.
The Foundation receives services from Foodlink and costs are charged to the Foundation based on agreed-upon methodologies and Foodlink's actual costs related to providing these services. For the years ended June 30, 2026 and 2025, $81,892 and $74,285, respectively, was recognized and paid for administrative and accounting services acquired from Foodlink.

Due to/from Foodlink, Inc.
As part of the administrative support functions Foodlink provides to the Foundation, Foodlink pays the expenses of the Foundation and the Foundation reimburses Foodlink. During 2026 and 2025, Foodlink paid $183,435 and $217,215, respectively, of expenses on behalf of the Foundation. The non-interest bearing amount due to Foodlink was $247,740 at June 30, 2026 and due from Foodlink was $16,071 at June 30, 2025.

4. RELATED PARTY TRANSACTIONS (Continued)

Contribution from Foodlink, Inc.
In connection with the NMTC arrangement and capital project financing, Foodlink contributed $1,877,480 and $2,769,574 to the Foundation during the years ended June 30, 2026 and 2025, respectively. This represented Foodlink's book value of accumulated project costs previously incurred on the projects for which the NMTCs are related.

Contribution to Foodlink, Inc.
In connection with its mission driven purpose of providing funding for anti-hunger initiatives in the Greater Rochester area, the Foundation contributed $250,000 to Foodlink during the year ended June 30, 2026.

Transfer of Equity in Foodlink Farms, LLC to Foodlink, Inc.
At June 30, 2024, the Foundation was the sole corporate member of Foodlink Farms, LLC. During the year ended June 30, 2025, Foodlink Farms, LLC was re-organized and changed its name to 585 Lexington Holdings, LLC. As part of the re-Foundation, the Foundation transferred its role as sole corporate member to Foodlink. The effect of this transaction was a transfer of this entity's equity, at recorded value, as of the date of the re-Foundation. That equity balance, $115,592, is reflected as another expense item in the accompanying statement of activities and change in net assets for the year ended June 30, 2025. No equity was transferred during the year ended June 30, 2026.

5. INVESTMENTS

The Foundation's investments consisted of the following at June 30:

	2026	2025
Cash equivalents	$ 30,766	$ 27,367
Corporate bonds	3,978,357	3,491,133
Government bonds	350,812	297,361
Common stock	4,331,748	3,811,549
	$ 8,691,683	$ 7,627,410

Approximately $5,500,000 of the Foundation's investments are pledged as collateral for the Foundation's note payable.

The Foundation's investments were measured at fair value on a recurring basis using the following input levels at June 30, 2026:

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 30,766	$ -	$ -	$ 30,766
Corporate bonds	-	3,978,357	-	3,978,357
Government bonds	350,812	-	-	350,812
Common stock	4,331,748	-	-	4,331,748
	$ 4,713,326	$ 3,978,357	$ -	$ 8,691,683

5. INVESTMENTS (Continued)

The Foundation's investments were measured at fair value on a recurring basis using the following input levels at June 30, 2025:

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 27,367	$ -	$ -	$ 27,367
Corporate bonds	-	3,491,133	-	3,491,133
Government bonds	297,361	-	-	297,361
Common stock	3,811,549	-	-	3,811,549
	$ 4,136,277	$ 3,491,133	$ -	$ 7,627,410

The Foundation's corporate bonds are valued using Level 2 inputs. Fair value of the Foundation's corporate bonds is determined by entering observable inputs, including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, bids and offers into a pricing model.

There were no changes in valuation techniques during 2026 or 2025.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2026	2025
Buildings	$ 4,734,976	$ 4,734,976
Less: Accumulated depreciation	(504,410)	(373,673)
	$ 4,230,566	$ 4,361,303

7. FINANCING ARRANGEMENTS

Mortgage Payable

The Foundation has a mortgage payable to a bank due October 2032 in the amount of $2,201,933 and payable in monthly installments of $16,250, including principal and interest at 4.75%. Substantially all fixed assets of the Foundation and Foodlink are pledged as collateral.

Future scheduled principal payments on the mortgage payable are as follows for the years ending June 30:

2027	$ 90,952
2028	95,157
2029	100,116
2030	105,045
2031	110,217
Thereafter	1,700,446
	$ 2,201,933

7. FINANCING ARRANGEMENTS (Continued)

Debt Covenant
The terms of the mortgage payable require the Foundation to maintain a minimum debt service coverage ratio of 1.20. Management determined that the Foundation was in compliance with the debt service coverage ratio covenant as of June 30, 2026 and 2025.

Note Payable
The Foundation had a note payable to a credit union that allowed for construction-related advances through November 2026 up to maximum of $4,300,000. At June 30, 2026 and 2025, outstanding advances were $1,597,729 and $3,492,626, respectively. The note required payments of interest only through November 2026 at a rate equal to the credit union's prime rate less 1.50% (6.50% at both June 30, 2026 and 2025). Starting December 2026, or earlier upon completion of construction, the note will require monthly payments based on a 25 year amortization schedule with monthly principal and interest to include interest at a fixed rate to be determined as the credit union's "10 year cost of funds rate" in effect in December 2026 plus 1.50%. All principal and accrued interest are due January 1, 2037. The note payable was collateralized by approximately $5,500,000 of the Foundation's investments.

Subsequent to June 30, 2026, the Foundation repaid the outstanding balance of the note in full.

Line of Credit
The Foundation has an available line of credit with a bank that allows maximum borrowing of $1,000,000. Outstanding amounts bear interest at the adjusted daily SOFR rate plus 1.95%. No amounts were outstanding on this line of credit at June 30, 2026 or 2025. This line of credit is guaranteed by Foodlink and collateralized by the assets of Foodlink.

8. ENDOWMENT

The Foundation's endowment includes contributions perpetually restricted by donors as well as accumulated unappropriated earnings on those amounts. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation's endowment net asset balance consisted of donor-imposed restrictions stating that the funds must be held in perpetuity and accumulated unappropriated earnings on these amounts are included in net assets with donor restrictions in the accompanying balance sheet.

The changes in the endowment during the years ended June 30 were as follows:

	Donor Contributed Corpus	Accumulated Unappropriated Earnings
Endowment net assets, July 01, 2024	$ 549,064	$ 434,148
Unappropriated earnings	-	189,026
Endowment net assets, June 30, 2025	549,064	623,174
Unappropriated earnings	-	206,594
Endowment net assets, June 30, 2026	$ 549,064	$ 829,768

8. ENDOWMENT (Continued)

Interpretation of Relevant Laws
The Foundation's Board of Directors has interpreted the applicable provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as endowment net assets the original value of the gifts donated to the endowment, the original value of subsequent gifts to the endowment, and accumulations of investment income of the endowment are added to the fund in accordance with the direction of the donor gift instrument. Any unappropriated earnings or appreciation are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by New York State law.

Return Objectives and Risk Parameters
The Foundation adopted investment and spending policies for endowment assets that provides for long-term growth for possible support of the Foundation's budget when other funding sources may not be adequate. A secondary objective is to minimize volatility so that assets are available when they are needed.

Strategies Employed for Achieving Objectives
The Foundation adopted target asset allocations for each pool of fund assets. The endowment is a long-term asset and therefore may have a relatively higher risk tolerance, with a stock mid-point selected between 50-60%.

Spending Policy and Related Investment Objectives
The Foundation adopted a target spending policy whereby up to 6% of the average value over the trailing 20 quarters will be available for annual withdrawal from the fund. The Foundation will rely on a total return strategy in which assets available for withdrawal will come from either capital appreciation and/or income. The amount to be withdrawn will be calculated as of the last day of the fiscal year. This amount will be available, if needed, to support the operating budget and capital expenses. The policy permits spending on underwater endowments.

Funds with Deficiencies
From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or relevant law requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions to the extent accumulated gains are available to absorb such loss, otherwise as net assets without donor restrictions. There were no deficiencies of this nature at June 30, 2026, or 2025

9. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 9, 2026, which is the date the financial statements were available to be issued.