FOODLINK, INC.
AND SUBSIDIARY AND AFFILIATE

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

Bonadio & Co., LLP
Accounting, Consulting & More

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Accounting, Consulting & More

INDEPENDENT AUDITOR'S REPORT

October 9, 2026

To the Board of Directors of
Foodlink, Inc. and Subsidiary and Affiliate:

Report on the Audit of Financial Statements

Opinion
We have audited the accompanying consolidating financial statements of Foodlink, Inc. and Subsidiary and Affiliate (the Organization), which comprise the consolidating balance sheets as of June 30, 2026, and the related consolidating statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

In our opinion, the consolidating financial statements present fairly, in all material respects, the financial position of the Organization 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 Consolidating Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidating Financial Statements
Management is responsible for the preparation and fair presentation of the consolidating 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 consolidating financial statements that are free from material misstatement, whether due to fraud or error.

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

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(Continued)

Auditor's Responsibilities for the Audit of the Consolidating Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidating 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 consolidating 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 consolidating 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 consolidating 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 Organization'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 consolidating financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Organization's 2025 consolidating financial statements, and we expressed an unmodified audit opinion on those audited consolidating 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 consolidating financial statements from which it has been derived.

Disclaimer of Opinion on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. The supplementary information regarding donated inventory included in Note 14, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidating financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidating financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bonadio & Co. LLP

FOODLINK, INC. AND SUBSIDIARY AND AFFILIATE

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

	Foodlink, Inc.	585 Lexington Benefit Corporation	Eliminations	Consolidated 2026	Consolidated 2025
ASSETS					
CURRENT ASSETS:					
Cash and equivalents	$ 433,829	$ 103,356	$ -	$ 537,185	$ 2,208,441
Accounts receivable, net of allowance for credit losses of $10,000 at June 30, 2026 and 2025, respectively	1,092,120	-	(19,674)	1,072,446	790,049
Current portion of pledges receivable	1,550,000	-	-	1,550,000	1,050,000
Grants receivable	3,406,770	-	-	3,406,770	2,737,308
United Way receivable	12,727	-	-	12,727	12,727
Purchased product inventory	599,265	-	-	599,265	624,410
Prepaid expenses	181,548	-	-	181,548	163,917
Total current assets	7,276,259	103,356	(19,674)	7,359,941	7,586,852
PLEDGES RECEIVABLE, net	1,632,114	-	-	1,632,114	2,632,112
FINANCE LEASE RIGHT-OF-USE ASSETS	702,045	-	-	702,045	695,336
DUE FROM FOODLINK FOUNDATION, INC.	247,740	-	-	247,740	-
PROPERTY AND EQUIPMENT, net	16,500,285	2,008,640	-	18,508,925	14,204,159
	$ 26,358,443	$ 2,111,996	$ (19,674)	$ 28,450,765	$ 25,118,459
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable and accrued expenses	$ 3,578,154	$ 19,699	$ (19,674)	$ 3,578,179	$ 3,785,673
Due to Foodlink Foundation, Inc.	-	-	-	-	16,071
Current portion of finance lease obligations	221,745	-	-	221,745	227,897
Line of credit	683,000	-	-	683,000	-
Deferred revenue	315,362	-	-	315,362	298,288
Total current liabilities	4,798,261	19,699	(19,674)	4,798,286	4,327,929
FINANCE LEASE OBLIGATIONS, net of current portion	518,552	-	-	518,552	497,018
LOANS PAYABLE	6,240,000	2,400,000	-	8,640,000	8,640,000
Total liabilities	11,556,813	2,419,699	(19,674)	13,956,838	13,464,947
NET ASSETS:					
Without donor restrictions	10,881,168	(307,703)	-	10,573,465	7,352,628
With donor restrictions	3,920,462	-	-	3,920,462	4,300,884
Total net assets	14,801,630	(307,703)	-	14,493,927	11,653,512
	$ 26,358,443	$ 2,111,996	$ (19,674)	$ 28,450,765	$ 25,118,459

The accompanying notes are an integral part of these statements.

FOODLINK, INC. AND SUBSIDIARY AND AFFILIATE

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

	Foodlink, Inc.			585 Lexington Benefit Corporation		Consolidated			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	2026	2025
PUBLIC SUPPORT AND REVENUE:									
Public support -									
Donated food	$ 33,132,779	$ -	$ 33,132,779	$ -	$ -	$ 33,132,779	$ -	$ 33,132,779	$ 31,279,812
Contributions	9,395,901	1,611,873	11,007,774	-	-	9,395,901	1,611,873	11,007,774	11,215,780
Other government grants	5,860,934	-	5,860,934	-	-	5,860,934	-	5,860,934	5,116,545
Government grants for wholesale food distribution	5,723,808	-	5,723,808	-	-	5,723,808	-	5,723,808	4,735,210
Contributions for capital projects	-	2,279,000	2,279,000	-	-	-	2,279,000	2,279,000	625,708
Government grants for shared maintenance	1,182,217	-	1,182,217	-	-	1,182,217	-	1,182,217	1,129,801
Check Out Hunger	884,474	-	884,474	-	-	884,474	-	884,474	774,106
United Way	456,603	407,261	863,864	-	-	456,603	407,261	863,864	230,477
Government grants for nutritious children's meals	830,609	-	830,609	-	-	830,609	-	830,609	774,079
Government grants for capital projects	150,000	-	150,000	-	-	150,000	-	150,000	1,278,099
Total public support	57,617,325	4,298,134	61,915,459	-	-	57,617,325	4,298,134	61,915,459	57,159,617
Revenue -									
Kitchen meals	5,395,415	-	5,395,415	-	-	5,395,415	-	5,395,415	4,263,392
Wholesale food distribution	3,922,971	-	3,922,971	-	-	3,922,971	-	3,922,971	3,403,762
Shared maintenance	264,652	-	264,652	-	-	264,652	-	264,652	553,505
Fees for services	595,681	-	595,681	-	-	595,681	-	595,681	64,551
Rental income	4,405	-	4,405	32,500	(32,500)	4,405	-	4,405	4,148
Other	300,101	-	300,101	16,047	-	316,148	-	316,148	412,626
Total revenue	10,483,225	-	10,483,225	48,547	(32,500)	10,499,272	-	10,499,272	8,701,984
Net assets released from restriction	4,678,556	(4,678,556)	-	-	-	4,678,556	(4,678,556)	-	-
Total public support and revenue	72,779,106	(380,422)	72,398,684	48,547	(32,500)	72,795,153	(380,422)	72,414,731	65,861,601
EXPENSES:									
Program services	65,799,407	-	65,799,407	122,766	(1,998,185)	63,923,988	-	63,923,988	57,675,961
Management and general	2,148,421	-	2,148,421	23,541	-	2,171,962	-	2,171,962	2,136,834
Fundraising	1,850,886	-	1,850,886	-	-	1,850,886	-	1,850,886	1,541,428
Total expenses	69,798,714	-	69,798,714	146,307	(1,998,185)	67,946,836	-	67,946,836	61,354,223
CHANGE IN NET ASSETS BEFORE OTHER ITEMS	2,980,392	(380,422)	2,599,970	(97,760)	1,965,685	4,848,317	(380,422)	4,467,895	4,507,378
OTHER ITEMS:									
Gain on sale of property and equipment	-	-	-	-	-	-	-	-	46,703
Contribution to Foodlink Foundation, Inc.	(1,877,480)	-	(1,877,480)	-	-	(1,877,480)	-	(1,877,480)	(2,769,574)
Contribution from Foodlink Foundation, Inc.	250,000	-	250,000	-	-	250,000	-	250,000	-
Contribution from Foodlink, Inc.	-	-	-	1,965,685	(1,965,685)	-	-	-	-
Transfer of equity in 585 Lexington Holdings, LLC from Foodlink Foundation, Inc.	-	-	-	-	-	-	-	-	115,592
Total other items, net	(1,627,480)	-	(1,627,480)	1,965,685	(1,965,685)	(1,627,480)	-	(1,627,480)	(2,607,279)
CHANGE IN NET ASSETS	1,352,912	(380,422)	972,490	1,867,925	-	3,220,837	(380,422)	2,840,415	1,900,099
NET ASSETS - beginning of year	9,528,256	4,300,884	13,829,140	(2,175,628)	-	7,352,628	4,300,884	11,653,512	9,753,413
NET ASSETS - end of year	$ 10,881,168	$ 3,920,462	$ 14,801,630	$ (307,703)	$ -	$ 10,573,465	$ 3,920,462	$ 14,493,927	$ 11,653,512

The accompanying notes are an integral part of these statements.

FOODLINK, INC. AND SUBSIDIARY AND AFFILIATE

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

	Foodlink Inc.				585 Lexington Benefit Corporation			Eliminations			Consolidated				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Total	Program Services	Management and General	Total	Program Services	Management and General	Fundraising	Total	Total 2025
Donated food	$ 33,132,779	$ -	$ -	$ 33,132,779	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,132,779	$ -	$ -	$ 33,132,779	$ 31,279,812
Purchased food	15,487,424	-	-	15,487,424	-	-	-	-	-	-	15,487,424	-	-	15,487,424	12,499,139
Salaries	6,469,099	938,233	738,482	8,145,814	-	-	-	-	6,470	6,470	6,469,099	944,703	738,482	8,152,284	8,021,064
Employee benefits and payroll taxes	2,174,439	432,210	234,793	2,841,442	-	-	-	-	-	-	2,174,439	432,210	234,793	2,841,442	2,482,270
Training and development	57,126	126,824	5,821	189,771	-	-	-	-	-	-	57,126	126,824	5,821	189,771	135,754
Contribution to affiliate	1,965,685	-	-	1,965,685	-	-	-	(1,965,685)	-	(1,965,685)	-	-	-	-	-
Depreciation and amortization	1,729,699	186,527	9,849	1,926,075	86,434	-	86,434	-	-	-	1,816,133	186,527	9,849	2,012,509	1,283,378
Occupancy	1,449,187	141,657	78,843	1,669,687	-	-	-	(32,500)	-	(32,500)	1,416,687	141,657	78,843	1,637,187	1,457,424
Supplies	620,038	5,207	-	625,245	-	-	-	-	-	-	620,038	5,207	-	625,245	776,833
Transportation and distribution	799,678	1,982	-	801,660	-	-	-	-	-	-	799,678	1,982	-	801,660	643,714
Operational support	545,585	1,500	-	547,085	-	-	-	-	-	-	545,585	1,500	-	547,085	391,558
Information technology	383,329	94,041	165,508	642,878	-	-	-	-	-	-	383,329	94,041	165,508	642,878	462,266
Equipment	42,640	885	465	43,990	-	-	-	-	-	-	42,640	885	465	43,990	42,172
Professional fees	514,499	110,075	285,037	909,611	-	16,980	16,980	-	-	-	514,499	127,055	285,037	926,591	1,223,911
Contracted services	-	-	-	-	12,900	6,470	19,370	-	(6,470)	(6,470)	12,900	-	-	12,900	-
Office expenses	79,318	25,662	180,854	285,834	-	-	-	-	-	-	79,318	25,662	180,854	285,834	271,093
Advertising	28,579	1,759	108,503	138,841	-	-	-	-	-	-	28,579	1,759	108,503	138,841	99,950
Travel and meetings	54,427	9,489	11,899	75,815	-	-	-	-	-	-	54,427	9,489	11,899	75,815	83,980
Interest	41,482	3,947	24,277	69,706	23,267	-	23,267	-	-	-	64,749	3,947	24,277	92,973	77,805
Insurance	17,109	9,053	1,221	27,383	-	-	-	-	-	-	17,109	9,053	1,221	27,383	34,103
Dues and subscriptions	38,938	7,608	2,711	49,257	-	-	-	-	-	-	38,938	7,608	2,711	49,257	47,112
Credit loss expense/(recovery)	1,164	37,355	-	38,519	-	-	-	-	-	-	1,164	37,355	-	38,519	(4,644)
Other	167,183	14,407	2,623	184,213	165	91	256	-	-	-	167,348	14,498	2,623	184,469	45,529
	$ 65,799,407	$ 2,148,421	$ 1,850,886	$ 69,798,714	$ 122,766	$ 23,541	$ 146,307	$ (1,998,185)	$ -	$ (1,998,185)	$ 63,923,988	$ 2,171,962	$ 1,850,886	$ 67,946,836	$ 61,354,223

The accompanying notes are an integral part of these statements.

FOODLINK, INC. AND SUBSIDIARY AND AFFILIATE

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

	Foodlink Inc.	585 Lexington Benefit Corporation	Eliminations	Consolidated 2026	Consolidated 2025
CASH FLOW FROM OPERATING ACTIVITIES:					
Change in net assets	$ 972,490	$ 1,867,925	$ -	$ 2,840,415	$ 1,900,099
Adjustments to reconcile change in net assets to net cash flow from operating activities:					
Credit loss expense (recovery)	38,519	-	-	38,519	(2,644)
Depreciation	1,647,275	86,434	-	1,733,709	1,060,865
Amortization of finance lease right-of-use assets	278,800	-	-	278,800	222,513
Payments received on capital contributions	(1,779,000)	-	-	(1,779,000)	(575,709)
Intercompany noncash contribution	1,965,685	(1,965,685)	-	-	-
Gain on sale of property and equipment	-	-	-	-	(46,703)
Changes in:					
Accounts receivable	(340,590)	-	19,674	(320,916)	(579,105)
Pledges receivable, net	499,998	-	-	499,998	(3,682,112)
Grants receivable	34,353	-	-	34,353	352,291
United Way receivable	-	-	-	-	7,023
Purchased product inventory	25,145	-	-	25,145	(206,585)
Prepaid expenses	(17,631)	-	-	(17,631)	(136,721)
Accounts payable and accrued expenses	307,138	(704,378)	(19,674)	(416,914)	1,122,711
Deferred revenue	17,074	-	-	17,074	173,863
Due to/from Foodlink Foundation, Inc.	(263,811)	-	-	(263,811)	156,148
Net cash flow from operating activities	3,385,445	(715,704)	-	2,669,741	(234,066)
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchases of property and equipment	(6,403,481)	(129,389)	-	(6,532,870)	(7,784,288)
Proceeds from sale of property and equipment	-	-	-	-	120,148
Net cash flow from investing activities	(6,403,481)	(129,389)	-	(6,532,870)	(7,664,140)
CASH FLOW FROM FINANCING ACTIVITIES:					
Payments on financing lease obligations	(270,127)	-	-	(270,127)	(223,951)
Payments received on capital contributions	1,779,000	-	-	1,779,000	575,709
Proceeds from line of credit	1,550,000	-	-	1,550,000	-
Repayments of line of credit	(867,000)	-	-	(867,000)	-
Borrowings on loans payable	-	-	-	-	8,640,000
Net cash flow from financing activities	2,191,873	-	-	2,191,873	8,991,758
CHANGE IN CASH AND EQUIVALENTS	(826,163)	(845,093)	-	(1,671,256)	1,093,552
CASH AND EQUIVALENTS - beginning of year	1,259,992	948,449	-	2,208,441	1,114,889
CASH AND EQUIVALENTS - end of year	$ 433,829	$ 103,356	$ -	$ 537,185	$ 2,208,441

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

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

Foodlink was created to organize and 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. Foodlink purchases and solicits donations of nutritious surplus food from the food industry and distributes these products to qualified 501(c)(3) charities for feeding the ill, the needy, and children. A significant portion of the food product is obtained through local food distributors, local farms, and retailers, which provides the food industry with a way to avoid the waste of edible but unsaleable products. Foodlink operates a kitchen to produce food for children and seniors. Additionally, Foodlink runs community health programs such as Nutrition Education, Foodlink Farm and the Curbside Market to meet food related needs of community members.

585 Lexington Holdings, LLC
Foodlink is the sole corporate member of 585 Lexington Holdings, LLC (Holdings). Holdings was formed for the purpose of owning, leasing, and improving real property to be used exclusively for charitable purposes in furtherance of Foodlink's mission. Holdings was formerly named Foodlink Farm, LLC.

585 Lexington Benefit Corporation
585 Lexington Benefit Corporation (Benefit) is a New York not for profit corporation organized as a type 1 supporting organization in support of Foodlink. Benefit is governed and managed under the common control of Foodlink.

Collectively, Foodlink, Holdings, and Benefit are referred to as the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying consolidating financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Principles of Consolidation
These consolidating financial statements include the accounts of Foodlink and Benefit. Amounts reported for Foodlink include the accounts of Holdings. Intercompany balances and transactions have been eliminated in consolidation.

Comparative Information
The consolidating financial statements include certain prior year summarized consolidated 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 Organization'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)

Change in Accounting Principle

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-05 "*Financial Instruments—Credit Losses* (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets*," which provides a practical expedient and an accounting policy election related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under Accounting Standards Codification (ASC) 606. Effective July 1, 2025, the Organization elected the practical expedient, which allows for entities to assume that the current conditions in effect at the statement of financial position date will remain the same throughout the duration of the life of current accounts receivable assessed for credit losses, as available under ASU 2025-05. The practical expedient is being applied on a prospective basis from the adoption date. The adoption of this practical expedient did not have a material impact on the financial statements.

Classification of Net Assets

The Organization reports activities and the related net assets using the following net asset categories:

- **Net Assets Without Donor Restrictions**
  Net assets without donor restrictions represent resources that are generally available for support of the Organization's activities without donor-imposed restrictions.

- **Net Assets With Donor Restrictions**
  Net assets with donor restrictions include resources that have been donated to the Organization subject to restrictions as defined by the donor. When a donor restriction is met, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions.

New Market Tax Credit Projects

During the year ended June 30, 2025, Foodlink, the Foodlink Foundation, Inc. (the Foundation), 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 organization 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Market Tax Credit Projects (Continued)
Foodlink, the Foundation, 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 Benefit serves as QUALICB for the 585 Lexington Avenue site. The Foundation serves as the leveraged lender for both projects.

At June 30, 2026 and 2025, Foodlink and Benefit had loans payable to the CDE totaling $6,240,000 and $2,400,000, respectively, that were originated as part of the funding of the QUALICBs during the year ended June 30, 2025.

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 allowing for the "unwinding" process to occur at that time, as is typical for NMTC arrangements. Foodlink and Benefit expect that the put and call agreement will be executed after the tax credit period is complete and the unwinding process will include forgiveness of these loan balances. This expectation does not affect the recording of these liabilities as of June 30, 2026 or 2025.

Revenue, Receivables and Deferred Revenue
The Organization recognizes revenue in the period in which the performance obligations defined by the terms of contracts with customers are satisfied. The Organization's performance obligations fall under its overall mission to develop and operate programs that address the problem of hunger and food insecurity. The Organization's performance obligations include distributing quality food through community organizations.

The Organization receives revenue from federal, state, county and city governmental grants and classifies these grants as without donor restrictions. The Organization recognizes revenue from grants and contracts when conditions from the grantor are met. Grants receivable is recognized to the extent revenue earned exceeds cash advances. Conversely, deferred revenue is recorded when cash advances exceed support and revenue earned.

Funding sources may, at their discretion, amend the grant and contract amounts. In addition, reimbursement for expenses or return of funds, or both, may be requested as a result of noncompliance by the Organization with the terms of the grants and contracts. The Organization records such amendments, reimbursements, and returns of funds as an adjustment to revenue in the year of the amendment.

Program fees are recognized based on approved contract amounts when the Organization satisfies their performance obligations under contracts by transferring services to not-for-profit agencies. Participating not-for-profit agencies and government grantors fund amounts based on the amount and type of product received. The Organization determines the transaction price based on the volume and or weight of food and related goods distributed in each distribution transaction. This revenue is included in fees for services on the accompanying statement of activities and change in net assets. Program services also include revenue related to wholesale distribution of food throughout the community. The performance obligation related to program service fees is satisfied as the food and other goods are distributed.

Performance obligations for the Organization's services are provided and consumed at a point in time, not over time, and therefore these types of fees allocated to performance obligations are not left unsatisfied or partially unsatisfied at the end of the reporting period. Revenues are charged and collected routinely throughout the month. Amounts that remain uncollected at the end of the month are recorded as accounts receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue, Receivables and Deferred Revenue (Continued)

Receivables are stated at the amount management expects to collect. The Organization provides an allowance for credit losses based on review of the not-for-profit agencies' ability to pay on their account. The Organization expects to collect established net charges. The Organization performs an assessment of a customer's ability to pay for services prior to providing services. Based on this, the Organization has determined that there are no implicit price concessions provided to those the Organization serves. Accounts are written off when customary collection efforts are exhausted.

The balance of accounts receivable and deferred revenue at June 30, 2024 was $208,300 and $124,425, respectively.

Allowance for Credit Losses

The Organization operates in the human services industry and its accounts receivable are primarily derived from distributing food to not-for-profit agencies. The Organization recognizes an expected allowance for credit losses that is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist, and receivables evaluated individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible.

The estimated allowance for credit losses is based on historical and current conditions. The historical component is derived from a review of the Organization's historical losses based on the aging of receivables. The Organization had an allowance for credit losses balance of $10,000 at June 30, 2026 and 2025. The Organization had gross accounts receivable of $1,102,120 and $800,049 at June 30, 2026 and 2025, respectively.

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 income until those conditions have been met. Contributions that are expected to be received in future years are recorded at their estimated 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.

Noncash Donations

Contributions of noncash assets, except donated food, received from unrelated third-parties are recorded at their fair values on the date received. Contributions of noncash assets received from affiliates and related parties are recorded at the related party's cost when that cost is determined to approximate fair value, which it was for such transactions occurring during the year ended June 30, 2026.

The majority of food product that is distributed has been donated. Donated food is recorded by the Organization as both public support and program expense on the accompanying statement of activities and change in net assets when distributed.

Volunteers have donated significant amounts of time in support of the Organization's activities. However, the value of these services is not reflected in the consolidating financial statements, as they do not meet the criteria for recognition set forth in GAAP.

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 demand deposit accounts may exceed federally insured limits. Balances in cash management and money market accounts are not federally insured. The Organization has not experienced any losses on cash and equivalents and believes it is not exposed to any significant credit risk with respect to cash and equivalents.

Purchased Product Inventory

Food that has been purchased by the Organization, which has not been distributed or used in preparation of nutritional meals, is reported as inventory. This inventory is distributed at no charge, at cost, or at cost plus a small markup to qualified organizations. All inventory purchased by Organization is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method (FIFO) method.

Pledges Receivable

Pledges receivable represents amounts due to the Organization under the terms of unconditional promises to give and are recorded at their estimated net present value using a discount rate of 5%. Pledges receivable for which no payments have been received for several months past their due date are considered delinquent and when customary collection efforts are exhausted, the account is written-off. Based on a review of outstanding balances and collection history, a reserve for uncollectible pledges was not considered necessary at June 30, 2026.

Leases as a Lessor

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

The Organization 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 Organization 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 Organization'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.

Leases as a Lessee

The Organization determines if an arrangement is a lease at inception. Right of use (ROU) assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Organization is reasonably certain to exercise these options.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases as a Lessee (Continued)
For all underlying classes of assets, the Organization elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Organization elected for all classes of underlying assets, to use the rate implicit in the lease as the discount rate or if not readily available, the incremental borrowing rate. The incremental borrowing rate is a lender quoted collateralized borrowing rate over a similar term as the leased asset and in an amount equal to the payments of the leased asset in a similar economic environment the Organization 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.

Variable lease costs paid to or on behalf of the lessor, consisting of vehicle maintenance charges, are excluded from the measurement of the right-of-use asset and lease liability, and are charged to expense in the period incurred.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Property and Equipment
Property and equipment are recorded at cost or at the fair value on the date of donation. The Organization's policy is to capitalize all property and equipment purchases greater than $10,000 having an estimated useful life in excess of one year. Amortization of the costs of leasehold improvements, vehicles and equipment is provided using the straight-line method over the remaining term of the lease or the estimated useful life of the asset. Depreciation is computed based on the following estimated useful lives:

Leasehold improvements	15-39 years
Furniture and equipment	5 years
Vehicles	5 years

Advertising
Advertising costs are charged to expense as incurred. Advertising expense in 2026 and 2025 was $138,841 and $99,950, respectively.

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. These expenses include salaries, employee benefits and payroll taxes, depreciation, and occupancy related costs. Salaries, employee benefits and payroll taxes are allocated based on time spent in the various programs in accordance with time and effort reports completed by employees. Depreciation, amortization, and occupancy related expenses are allocated based on square footage used.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Reclassifications
Certain reclassifications have been made to the financial statements for the year ended June 30, 2025. These reclassifications are for comparative purposes only and have no effect on the change in net assets as originally reported.

3. LIQUIDITY

The Organization is substantially supported by grants and contributions without donor restrictions and revenue generated by its 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 Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets reported on the accompanying balance sheet may not be available for general expenditure within one year of the balance sheet date.

The Organization's financial assets, which include cash and equivalents and current receivables, were available within one year of the balance sheet for general expenditures are as follows at June 30:

	2026			2025
	Foodlink	Benefit	Consolidated	Consolidated
Financial assets at June 30	$ 8,127,560	$ 103,356	$ 8,230,916	$ 10,134,452
Less: Financial assets unavailable for general expenditures within one year due to being subject to satisfaction of donor restrictions	(3,920,462)	-	(3,920,462)	(4,300,884)
	$ 4,207,098	$ 103,356	$ 4,310,454	$ 5,833,568

The Organization's ability to meet its cash needs is dependent on timely collection of its grants receivable. The Organization's grants receivable are due primarily from government funders, such as New York State and various New York Counties. Many of these funding arrangements require the Organization to incur costs in advance and then vouch for reimbursement from the contractual government payer after the cash outlay has been made. The Organization employs procedures specifically designed to collect from these payers as quickly as possible. However, timeliness of payment from these payers varies and is sometimes difficult to predict.

3. LIQUIDITY (Continued)

Should the need for additional cash availability arise, the Organization has a line of credit agreement with a financial institution that allows for total borrowings of $3,000,000 (Note 9). The Organization also engages in significant fundraising efforts and special events to supplement operating cash flow from governmental and third-party funding arrangements.

The Organization's general cash expenditures within one year do not include the amounts reported as donated food income or expense. Donated food represents the estimated value of food received and distributed without cash outlay. Therefore, $33,132,779, and $31,279,812 reported as food distribution expense in 2026 and 2025, respectively, which represent approximately 49% and 51% of total operating expenses for 2026 and 2025, respectively, does not represent a cash expenditure. The Organization's operating cash receipts and expenditures within the next year are expected to approximate those reported for 2026.

4. GRANTS AND GRANTS RECEIVABLE

A significant portion of the Organization's revenue is generated through federal and state grants and contracts that are renewed periodically. The Organization derives a portion of its revenues from funding provided by the New York State Department of Health Hunger Prevention and Nutrition Assistance Program (HPNAP) and New York State Department of Health Nourish New York Program which are included in governments grants in the statement of activities and changes in net assets. HPNAP funding was approximately 5% of the Organization's total revenue for both years ended June 30, 2026 and 2025. Nourish New York funding was approximately 6% of the Organization's total revenue for both years ended June 30, 2026 and 2025.

Grants receivable from HPNAP was 39% and 11% of total grants receivable at June 30, 2026, and 2025, respectively. Grants receivable from Nourish New York was 37% of total grants receivable at both June 30, 2026 and 2025.

5. PLEDGES RECEIVABLE

Pledges receivable represents amounts due to the Organization under the terms of unconditional promises to give and are recorded at their estimated net present value using a discount rate of 5%. Pledges receivable for which no payments have been received for several months past their due date are considered delinquent and when customary collection efforts are exhausted, the account is written-off. Based on a review of outstanding balances and collection history, a reserve for uncollectible pledges was not considered necessary at June 30, 2026.

Future payments scheduled to be received by the Organization on pledges receivable are as follows for the years ending June 30:

2027	$ 1,550,000
2028	1,050,000
2029	1,000,000
	3,600,000
Less: Unamortized discount	(417,886)
Less: Current portion	(1,550,000)
Long-term portion of pledges receivable	$ 1,632,114

6. RELATED PARTY TRANSACTIONS

Foodlink Foundation, Inc.
The Foundation is organized to provide funding and support for anti-hunger organizations in the greater Rochester, New York area. The Foundation also includes 2011 Mt. Read, LLC (Mt. Read), a wholly controlled subsidiary. Mt. Read holds property used by Foodlink programs. Foodlink and the Foundation 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
Foodlink entered into a lease with the Foundation 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 all required carrying costs, primarily principal and interest, paid under the Foundation's mortgage. The lease payments are calculated annually and are scheduled to terminate on December 31, 2037. During 2026 and 2025, Foodlink recognized rent expense charged by the Foundation of $426,598 and $496,325, respectively, which is included in occupancy on the statement of activities.

Services Provided to the Foundation
The Organization provides services to the Foundation 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 charged for administrative and accounting services under this arrangement.

Due from/to Foodlink Foundation, Inc.
As part of the administrative support functions that Foodlink provides to the Foundation, Foodlink pays the expenses of the Foundation and the Foundation reimburses the Organization. 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 from the Foundation was $247,740 as of June 30, 2026 and the non-interest bearing amount due to the Foundation was $16,071 as of June 30, 2025.

Contribution to the Foundation
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 costs incurred on the projects for which the NMTCs are related.

Contribution from the Foundation
In connection with the Foundation's mission driven purpose of providing funding for anti-hunger initiatives in the Greater Rochester area, Foodlink received a contribution of $250,000 from the Foundation during the year ended June 30, 2026.

Contribution from Foodlink to Benefit
Upon project completion, in connection with the NMTC arrangement, Foodlink contributed property and equipment valued at $1,965,685 to Benefit, during the year ended June 30, 2026. The contribution was recorded as a transfer between consolidated entities at Foodlink's historical cost and, accordingly, was eliminated in consolidation.

6. RELATED PARTY TRANSACTIONS (Continued)

Transfer of Equity in Foodlink Farms, LLC from the Foundation
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-organization, 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-organization. That equity balance, $115,592, is reflected as an other income 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.

7. NATURE, PURPOSE, AND AMOUNT OF RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30:

	2026	2025
Time restricted (pledges receivable)	$ 3,132,113	$ 3,682,112
Foodbank programs	589,654	317,216
Community Health Programs	114,757	215,056
Capital projects	78,000	50,000
Career Empowerment Initiative & Community Kitchen	5,938	36,500
	$ 3,920,462	$ 4,300,884

Net assets with donor restrictions were released from restriction for the following purposes during the years ended June 30:

	2026	2025
Satisfaction of time restriction	$ 1,050,000	$ 1,000,000
Community Health Programs	669,003	492,313
Capital projects	1,322,000	575,709
Foodbank programs	1,311,192	864,790
Career Empowerment Initiative & Community Kitchen	326,361	15,691
	$ 4,678,556	$ 2,948,503

8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2026			2025
	Foodlink	Benefit	Consolidated	
Land	$ 30,750	$ -	$ 30,750	$ 30,750
Leasehold improvements	20,016,093	1,534,135	21,550,228	16,484,973
Vehicles	1,066,088	-	1,066,088	1,012,753
Furniture and equipment	4,528,517	560,939	5,089,456	4,169,494
	25,641,448	2,095,074	27,736,522	21,697,970
Less: Accumulated depreciation and amortization	(9,141,163)	(86,434)	(9,227,597)	(7,493,811)
	$ 16,500,285	$ 2,008,640	$ 18,508,925	$ 14,204,159

9. FINANCING ARRANGEMENTS

Line of Credit
The Organization has available an annually renewable line of credit agreement with a financial institution in the amount of $3,000,000, with interest at the prime rate (6.75% and 7.50% at June 30, 2026 and 2025, respectively). Amounts borrowed are collateralized by a general lien on substantially all of the Organization's assets. The Organization had outstanding borrowings of $683,000 under the line of credit as of June 30, 2026. There were no outstanding borrowings on the line of credit as of June 30, 2025.

Loans Payable
Loans payable consisted of four loans, all of which are related to the NMTC arrangements and are due to the CDE:

Foodlink has two loans, one for $4,522,700 (referred to loan A-1) which bears interest at 1.00%, and a second for $1,717,300 (referred to as loan B-1), which bears interest at 1.00%.

Benefit has two loans, one for $1,739,500 (referred to loan A-2), which bears interest at 1.00%, and a second for $660,500 (referred to as loan B-2), which bears interest at 1.00%.

All four loans require quarterly interest-only payments through February 2032. Starting March 2032, all four loans require payments of principal and interest quarterly through December 2058.

The payment schedules for all four loans require principal payments to start at approximately the same time that Foodlink's "put and call" option to purchase the CDE for $1,000 is executable. Therefore, Foodlink has the right to purchase the CDE at that time and, once ownership is established, alter the terms of these loans or forgive the loans prior to any principal payments being required.

9. FINANCING ARRANGEMENTS (Continued)

Guarantees
In September 2022, the Foundation entered into a new mortgage payable due October 2032 in the amount of $2,500,000 and payable in monthly installments of $16,250, including principal and interest at 4.75%. Substantially all fixed assets of the Organization are pledged as collateral to secure the Foundation's mortgage payable. The Foundation's mortgage payable had an outstanding balance of $2,201,933 at June 30, 2026.

In addition, the Organization guarantees the Foundation's operating line of credit, which allows for borrowings of up to $1,000,000. There were no amounts outstanding on this line of credit at June 30, 2026 or 2025.

Cash Paid for Interest
Interest paid on financing arrangements totaled approximately $93,000 and $78,000 for the years ended June 30, 2026 and 2025, respectively.

10. LEASES

The Organization has finance leases for vehicles and equipment that expire at various dates through August 2031. The Organization's leases have remaining terms that vary from one to six years.

The components of total lease cost are as follows for the years then ended June 30:

	2026	2025
Finance lease cost:		
Amortization of right-of-use assets	$ 278,800	$ 222,513
Interest on lease liabilities	41,124	24,096
	$ 319,924	$ 246,609

Supplemental cash flow information related to leases are as follows for the years then ended June 30:

	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 3,152	$ 23,736
Financing cash flows from finance leases	$ 23,714	$ 220,900
Right-of-use assets obtained in exchange for lease obligations:		
Finance leases	$ -	$ 206,093

Other information related to leases are as follows as of June 30:

	2026	2025
Weighted-average remaining lease term:		
Finance leases	4.0 years	4.3 years
Weighted-average discount rate:		
Finance leases	5.03%	4.27%

10. LEASES (Continued)

Maturities of finance lease liabilities are as follows for the years ending June 30:

2027	$ 253,151
2028	168,804
2029	168,804
2030	145,242
2031	79,976
Thereafter	3,550
Total lease payments	819,527
Less: interest	(79,230)
Total present value of lease liabilities	740,297
Less: current portion	(221,745)
Long-term portion of lease liabilities	$ 518,552

11. RETIREMENT PLAN

The Organization maintains a 401(k) plan that provides for employer contributions of 2% of eligible compensation for employees having at least one year of service, as well as employer match of employee contributions up to 5% of eligible compensation. The Organization recognized expense of $381,072 and $360,441 related to the plan in the years ended June 30, 2026 and 2025, respectively.

12. CONTINGENCIES AND COMMITMENTS

Government Grant Funding Arrangements
The Organization receives various grants from federal and state agencies which are subject to audit by these agencies. Such audits may result in disallowances and a request for a return of funds. The Organization believes disallowances, if any, will not be significant.

Construction Commitments
The Organization has capital improvement projects in process at June 30, 2026. Remaining commitments under the terms of construction contracts were approximately $328,000 at June 30, 2026.

13. SUBSEQUENT EVENTS

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

14. DONATED INVENTORY (UNAUDITED)

Donated Food Product Other than USDA
The following table presents a summary of donated and distributed food, as determined by management, as of and for the years ended June 30:

	2026		2025	
	Pounds	Value	Pounds	Value
Donated product inventory, beginning of year	277,471	$ 527,194	805,427	$ 1,666,441
Valuation adjustment	-	5,550	-	(136,130)
Donated food received	14,583,761	28,000,821	11,644,838	22,125,192
Less:				
Food distributed to participating agencies	(14,316,591)	(27,487,855)	(11,840,485)	(22,496,922)
Food scrapped	(283,838)	(544,968)	(332,309)	(631,387)
Donated product inventory, end of year	260,803	$ 500,742	277,471	$ 527,194

Donated product is included as revenue and expense in the accompanying consolidating financial statements and consists of $27,487,855 and $22,496,922 in distributed donated product for the years ending June 30, 2026 and 2025, respectively. Donated product inventory is not recorded in the accompanying balance sheet.

Inventory, End of Year
The Organization's inventory value was determined using a rate of $1.92 per pound and $1.90 per pound at June 30, 2026 and 2025, respectively. The rate per pound was estimated by Feeding America, a national organization, as being the average value of one pound of donated food and non-food products.

Donated Food Product from USDA
The Organization has an agreement with the New York State Bureau of Government Donated Food Distribution to deliver food received from the United States Department of Agriculture (USDA) free of charge to qualifying centers.

The following table presents a summary of USDA food donated and distributed for the years ended June 30:

	2026 Pounds	2025 Pounds
Inventory, beginning of year	37,450	141,698
Donated food received	3,460,269	5,000,284
Adjustments	(119,548)	1,800
Less:		
Food distributed to participating agencies	(3,340,192)	(5,106,332)
Inventory, end of year	37,979	37,450

14. DONATED INVENTORY (UNAUDITED) (Continued)

Donated Food Product from USDA (Continued)
Donated USDA product is included as revenue and expense in the accompanying consolidating financial statements and consists of $5,644,924 and $8,782,890 in distributed USDA product for the years ending June 30, 2026 and 2025, respectively.

The Organization's value is determined by taking the ending inventory in pounds and multiplying that amount by a rate of $1.69 per pound and $1.72 per pound in 2026 and 2025, respectively. The rate per pound was estimated by Feeding America as being the average value of one pound of donated food products only. The value of the USDA inventory was $64,185 and $64,414 at June 30, 2026 and 2025, respectively. USDA food inventory is owned by USDA until distributed by the Organization and, therefore, is not recorded as an asset by the Organization.