

FeedMore Western New York, Inc. and Related Entities
Consolidated Financial Statements
December 31, 2025 and 2024
With Independent Auditor's Report

FeedMore Western New York, Inc. and Related Entities
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December 31, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors of
FeedMore Western New York, Inc. and Related Entities:

Opinion

We have audited the consolidated financial statements of FeedMore Western New York, Inc. and Related Entities and its subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of FeedMore Western New York, Inc. and Related Entities and its subsidiaries as of December 31, 2025, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of FeedMore Western New York, Inc. and Related Entities and its subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Organization as of and for the year ended December 31, 2024 were audited by Freed Maxick, P.C. On August 1, 2025, Freed Maxick, P.C. joined WithumSmith+Brown, P.C. Freed Maxick P.C. expressed an unmodified opinion on those statements dated July 1, 2025.

Responsibilities of Management for the Consolidated 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 Organization's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, 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 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 consolidated 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 Consolidating Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Supplementary Information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Withum Smith & Brown, PC

June 25, 2026

FeedMore Western New York, Inc. and Related Entities
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 7,001,495	\$ 19,021,666
Restricted cash	1,555,790	10,009,672
Grants and accounts receivable, less allowance for credit losses (\$10,000 - 2025 and 2024)	3,716,049	3,370,250
Pledges receivable	1,475,745	1,389,423
Prepaid expenses	165,858	185,319
Food inventory	2,413,286	2,487,560
Total current assets	<u>16,328,223</u>	<u>36,463,890</u>
Investments	3,446,468	2,970,873
Land, building and equipment, net	62,033,443	20,872,063
Debt issuance costs, net	725,205	820,231
Pledges receivable, net of current portion	1,316,447	2,231,707
Beneficial interest in assets held by others	15,109,934	14,315,710
Right-of-use asset for operating leases, net	39,681	78,823
Right-of-use assets for finance leases, net	208,784	88,447
Total assets	<u><u>\$ 99,208,185</u></u>	<u><u>\$ 77,841,744</u></u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 8,002,306	\$ 2,207,476
Accrued expenses	943,008	817,458
Refundable advance	1,482,396	842,362
Operating lease liabilities, current	39,681	39,141
Finance lease liabilities, current	72,080	56,785
Total current liabilities	<u>10,539,471</u>	<u>3,963,222</u>
Long-term lease liabilities		
Finance lease liabilities, noncurrent	139,785	33,485
Operating lease liabilities, noncurrent	-	39,680
Total long-term lease liabilities	<u>139,785</u>	<u>73,165</u>
Net assets		
Without donor restrictions	48,062,958	44,435,464
With donor restrictions	40,465,971	29,369,893
Total net assets	<u>88,528,929</u>	<u>73,805,357</u>
Total liabilities and net assets	<u><u>\$ 99,208,185</u></u>	<u><u>\$ 77,841,744</u></u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

FeedMore Western New York, Inc. and Related Entities
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, grants and other support			
Contributions			
Government funding	\$ 7,229,352	\$ 20,504,369	\$ 27,733,721
Client contributions of cash and other financial assets	1,297,783	-	1,297,783
General contributions	6,479,871	1,741,654	8,221,525
Special events	1,901,095	-	1,901,095
Private grants	1,501,792	-	1,501,792
Revenues			
Contract Medicaid funding	1,355,514	-	1,355,514
Program fees	1,199,951	-	1,199,951
Lease income	7,825	-	7,825
Contributions of nonfinancial assets			
Donated food	12,502,544	-	12,502,544
USDA food	5,016,937	-	5,016,937
General	142,769	-	142,769
Net assets released from restriction	11,944,170	(11,944,170)	-
Total revenue, grants and other support	50,579,603	10,301,853	60,881,456
Expenditures			
Program services	44,354,471	-	44,354,471
Management and general	2,583,680	-	2,583,680
Fundraising	1,953,191	-	1,953,191
Total expenditures	48,891,342	-	48,891,342
Income from operations	1,688,261	10,301,853	11,990,114
Other income			
Interest income	667,345	-	667,345
Net realized and unrealized gain on investments	271,888	-	271,888
Change in beneficial interest in assets held by others	1,000,000	794,225	1,794,225
Total other income	1,939,233	794,225	2,733,458
Change in net assets	3,627,494	11,096,078	14,723,572
Net assets			
Beginning of year	44,435,464	29,369,893	73,805,357
End of year	\$ 48,062,958	\$ 40,465,971	\$ 88,528,929

The Notes to consolidated Financial Statements are an integral part of this statement.

FeedMore Western New York, Inc. and Related Entities
Consolidated Statements of Activities and Changes in Net Assets
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, grants and other support			
Contributions			
Government funding	\$ 10,361,656	\$ 7,598,246	\$ 17,959,902
Client contributions of cash and other financial assets	1,100,455	-	1,100,455
General contributions	4,143,679	2,006,516	6,150,195
Special events	1,311,814	-	1,311,814
Private grants	1,161,391	-	1,161,391
Revenues			
Contract Medicaid funding	1,135,743	-	1,135,743
Program fees	823,866	-	823,866
Lease income	6,600	-	6,600
Contributions of nonfinancial assets			
Donated food	10,152,603	-	10,152,603
USDA food	8,143,540	-	8,143,540
General	158,789	-	158,789
Net assets released from restriction	7,065,513	(7,065,513)	
Total revenue, grants and other support	<u>45,565,649</u>	<u>2,539,249</u>	<u>48,104,898</u>
Expenditures			
Program services	44,092,188	-	44,092,188
Management and general	2,591,074	-	2,591,074
Fundraising	1,632,058	-	1,632,058
Total expenditures	<u>48,315,320</u>	<u>-</u>	<u>48,315,320</u>
Income (loss) from operations	(2,749,671)	2,539,249	(210,422)
Other income			
Interest income	1,171,362	-	1,171,362
Net realized and unrealized gain on investments	577,808	-	577,808
Change in beneficial interest in trusts	500,000	823,401	1,323,401
Total other income	<u>2,249,170</u>	<u>823,401</u>	<u>3,072,571</u>
Change in net assets	(500,501)	3,362,650	2,862,149
Net assets			
Beginning of year	44,935,965	26,007,243	70,943,208
End of year	<u>\$ 44,435,464</u>	<u>\$ 29,369,893</u>	<u>\$ 73,805,357</u>

The Notes to consolidated Financial Statements are an integral part of this statement.

FeedMore Western New York, Inc. and Related Entities
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Operating activities		
Change in net assets	\$ 14,723,572	\$ 2,862,149
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	735,798	922,302
Amortization of right-of-use asset for finance lease	79,254	82,299
Amortization of debt issuance costs	95,026	-
Net realized and unrealized gain on investments	(286,952)	(648,785)
Change in beneficial interest in assets held by others	(794,224)	(823,401)
Contributions restricted for capital campaign	(9,684,607)	(1,951,508)
Change in operating assets		
Pledges receivable	828,938	586,113
Grants and accounts receivable	(345,799)	(830,753)
Prepaid expenses	19,461	(32,544)
Food inventory	74,274	716,202
Right-of-use asset for operating lease	39,142	38,607
Change in operating liabilities		
Accounts payable	(146,942)	(315,527)
Accrued expenses	125,550	123,222
Refundable advances	640,034	268,454
Operating lease obligations	(39,140)	(38,609)
Net cash provided by operating activities	<u>6,063,385</u>	<u>958,221</u>
Investing activities		
Purchase of property and equipment	(35,955,406)	(8,098,391)
Purchase of investments	(1,288,449)	(20,953,299)
Proceeds from sale of investments	1,099,806	38,164,812
Net cash provided by (used in) investing activities	<u>(36,144,049)</u>	<u>9,113,122</u>
Financing activities		
Proceeds from capital campaign contributions	9,684,607	1,951,508
Payments for debt issuance costs	-	(915,257)
Principal payments under finance lease obligations	(77,996)	(71,810)
Net cash provided by financing activities	<u>9,606,611</u>	<u>964,441</u>
Net change in cash, cash equivalents, and restricted cash	(20,474,053)	11,035,784
Cash, cash equivalents, and restricted cash		
Beginning of year	29,031,338	17,995,554
End of year	<u><u>\$ 8,557,285</u></u>	<u><u>\$ 29,031,338</u></u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

FeedMore Western New York, Inc. and Related Entities
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	\$ 7,001,495	\$ 19,021,666
Current restricted cash and cash equivalents	1,555,790	10,009,672
Total cash, cash equivalents, and restricted cash	<u>\$ 8,557,285</u>	<u>\$ 29,031,338</u>
 Supplemental disclosure of cash flow information		
Noncash investing activities		
Land, building and equipment in accounts payable	<u>\$ 6,925,975</u>	<u>\$ 984,203</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

FeedMore Western New York, Inc. and Related Entities
Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
Salary and wages	\$ 6,305,028	\$ 1,600,297	\$ 790,362	\$ 8,695,687
Employee taxes and benefits	1,945,981	493,915	243,937	2,683,833
Total personnel and related expenses	8,251,009	2,094,212	1,034,299	11,379,520
Purchased food	14,415,899	-	-	14,415,899
Fundraising and special events	-	-	711,124	711,124
Occupancy	685,319	23,851	-	709,170
Information technology	399,680	50,984	64,219	514,883
Grants and awards	401,801	-	-	401,801
Transportation	392,732	1,432	-	394,164
Office supplies	324,024	66,095	-	390,119
Professional services	169,818	108,159	71,477	349,454
Insurance	299,085	17,540	-	316,625
Travel	131,092	28,712	17,937	177,741
Lease expense	139,051	-	-	139,051
Food production	123,990	-	-	123,990
Repairs and maintenance	62,137	-	-	62,137
Other administrative	-	55,522	-	55,522
Volunteers	22,695	-	1,106	23,801
Contracted food service	16,759	-	-	16,759
Total other expenses	17,584,082	352,295	865,863	18,802,240
Total operating expenses	25,835,091	2,446,507	1,900,162	30,181,760
In-kind value of donated food	17,752,752	-	-	17,752,752
In-kind value of donated supplies and services	57,906	-	37,767	95,673
Operating expenses before depreciation and interest	43,645,749	2,446,507	1,937,929	48,030,185
Depreciation	708,722	11,814	15,262	735,798
Interest	-	125,359	-	125,359
Total expenses	\$ 44,354,471	\$ 2,583,680	\$ 1,953,191	\$ 48,891,342

The Notes to consolidated Financial Statements are an integral part of this statement.

FeedMore Western New York, Inc. and Related Entities
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Salary and wages	\$ 6,189,850	\$ 1,713,962	\$ 590,253	\$ 8,494,065
Employee taxes and benefits	1,836,556	446,653	147,563	2,430,772
Total personnel and related expenses	8,026,406	2,160,615	737,816	10,924,837
Purchased food	12,232,580	-	-	12,232,580
Information technology	619,544	81,638	64,219	765,401
Fundraising and special events	-	-	720,583	720,583
Occupancy	680,961	25,296	-	706,257
Grants and awards	665,447	-	-	665,447
Transportation	388,806	2,312	-	391,118
Professional services	222,558	106,636	44,862	374,056
Insurance	267,419	15,614	-	283,033
Office supplies	213,549	66,095	-	279,644
Travel	142,325	32,118	-	174,443
Food production	144,227	-	-	144,227
Lease expense	131,423	-	-	131,423
Other administrative	-	71,996	-	71,996
Repairs and maintenance	66,256	-	-	66,256
Contracted food service	31,846	-	-	31,846
Credit losses	24,683	-	-	24,683
Volunteers	24,418	-	-	24,418
Total other expenses	15,856,042	401,705	829,664	17,087,411
Total operating expenses	23,882,448	2,562,320	1,567,480	28,012,248
In-kind value of donated food	19,221,981	-	-	19,221,981
In-kind value of donated supplies and services	93,315	896	64,578	158,789
Operating expenses before depreciation	43,197,744	2,563,216	1,632,058	47,393,018
Depreciation	894,444	27,858	-	922,302
Total expenses	\$ 44,092,188	\$ 2,591,074	\$ 1,632,058	\$ 48,315,320

The Notes to consolidated Financial Statements are an integral part of this statement.

FeedMore Western New York, Inc. and Related Entities
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

1. Operations and Summary of Significant Accounting Policies

a. Operations

FeedMore Western New York, Inc. ("FeedMore") is a not-for-profit organization in Western New York dedicated to obtaining nutritious food and support from public and private sources and efficiently distributing these resources to the hungry in Western New York through its member agencies. FeedMore solicits donations of surplus food and grocery items from the food industry, public and private sources, and distributes these products to qualified 501(c)(3) charities. The food is obtained from various donors based in Western New York, national donors through an affiliation with Feeding America, and the United States Department of Agriculture ("USDA"). FeedMore also distributes purchased food with funds from private contributions, private foundations and government grants, and respectively provides food, training, education and hunger advocacy for its member agencies and clients. FeedMore also provides the delivery of nutritious meals to home-bound elderly and disabled persons in the community.

FeedMore WNY Foundation, Inc. ("the Foundation"), an entity influenced by FeedMore, is a public charity under Section 170(b)(1)(A)(vi) whose purpose is to raise, hold and invest funds for FeedMore and other beneficiary organizations involved in the promotion of nutritious meals to home-bound individuals and the solicitation, collection, and storage of food products and the distribution of food products to feed people in need.

Hearty Helpings, Inc. ("HHI") is a not-for-profit corporation whose sole corporate member is FeedMore Western New York. HHI was formed to conduct the program of preparing and distributing meals for needy individuals throughout Erie, Niagara, and Chautauqua Counties.

On October 17, 2024, the Organization entered into an affiliation agreement with Twin City Meals on Wheels, Inc. ("TCMOW"). The agreement was contingent upon approval of the Attorney General, which was obtained during the year ended December 31, 2025. Under the agreement, the Organization is the sole member of TCMOW. Upon approval of the Attorney General, the assets and liabilities were assumed by the Organization, and recognized as a contribution.

b. Principles of Consolidation

The consolidated financial statements include the accounts of FeedMore, the Foundation and HHI (collectively, "the Organization"). All significant intercompany balances and transactions have been eliminated in the consolidation.

c. Basis of Accounting

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

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions.

The net assets of the Organization are reported as follows:

Without Donor Restrictions: Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Organization. Net assets without donor restrictions may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties. In addition, net assets without donor restrictions includes board-designated funds.

With Donor Restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of the Organization or through the passage of time. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from donor restrictions.

FeedMore Western New York, Inc. and Related Entities
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Classification of Transactions: All revenues and net gains are reported as increases in net assets without donor restrictions in the consolidated statement of activities and changes in net assets unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

d. Accounting for Contributions Received and Contributions Made

In accordance with GAAP, the Organization recognizes contributions received as income and contributions made as expenses. The Organization recognizes all contributions received as income in the period received. All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increased net assets with donor restrictions. When a restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions. The Organization recognizes contributions made as expenses in the period pledged or distributed.

e. Revenue Recognition

Support received under Federal, New York State and County grants is recorded as revenue when the related costs are incurred. Included in grants and accounts receivable on the consolidated statements of financial position is \$3,156,439 which represents amounts due to the Organization for reimbursement of costs incurred during the year ended December 31, 2025 (\$2,928,474 – 2024). There was \$1,482,396 received in advance classified as refundable advances related to grant revenue at December 31, 2025 (\$842,362 – 2024).

f. Shared Maintenance Fees

Through membership agreements, nonprofit agencies agree to share the cost of operations by contributing up to fifteen cents for each pound of donated product they receive. The Organization will not stop supplying an organization, which provides emergency relief, for failure to contribute to shared maintenance.

g. Program Reimbursement Fees

The Organization receives reimbursements under Federal, State, County and private grants for a portion of the costs incurred in receiving, storing and distributing purchased and USDA food products

h. Food Inventory

One of the primary functions of the Organization is the collection and distribution of food and grocery items. The majority of the Organization's inventory consisted of donated food. The remainder of inventory not received through in-kind donations is purchased. The inventory is valued as follows:

Donated food and grocery items: The donated inventory is valued utilizing the Feeding America Product Valuation Survey. This survey helps the Organization determine the approximate wholesale value of one pound of donated product at the national level.

Purchased inventory: The purchased inventory is valued at the lower of cost or market on a first-in, first-out basis ("FIFO"). The Organization evaluated inventory levels and expected usage on a periodic basis and records valuation allowances as required.

FeedMore Western New York, Inc. and Related Entities
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

i. Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code and exempt from state income taxes under state law, and no provision for such income tax has been reflected in the accompanying financial statements. The Organization has evaluated uncertain tax positions with respect to its operations and concluded there are no such positions at December 31, 2025 and 2024. The Organization did not recognize any tax-related interest or penalties during the period presented in these financial statements.

The Organization files its Return of Organization Exempt from Income Tax in the U.S. federal jurisdiction and its Annual Filing of Charitable Organizations in New York State.

j. Use of Estimates

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

k. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At December 31, 2025, cash equivalents consisted primarily of money market accounts.

The Organization maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 for each institution. The Organization's cash balances at times exceeded federally insured limits. Any loss incurred or lack of access to such funds could have a significant adverse impact on the Organization's financial condition, results of operations, and cash flows.

In accordance with certain grant agreements, the Organization is required to hold cash in a separate bank account. The Organization has complied with this requirement for the years ended December 31, 2025 and 2024.

Restricted cash represents cash reserved to be used for expenses related to the capital campaign.

l. Pledges receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value which approximates fair value. Unconditional promises to give that are expected to be collected in future years are recorded at their present value cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially satisfied. The discounts on those amounts are computed using a risk-adjusted interest rate applicable to the date of pledge. Amortization of the discount is included in contribution revenue. Management's estimate of an allowance for uncollectible pledges is based on historical collection rates and an analysis of the collectability of individual promises. Management determined that no allowance related to pledges receivable was necessary at December 31, 2025 and 2024. The pledges receivable balance at January 1, 2024 amounted to \$1,875,434.

m. Grants and Accounts Receivable

Accounts receivable are carried at amount invoiced or amounts due from grantors on cost reimbursement grants. Balances outstanding longer than 30 days are considered past due. The grants and accounts receivable are reviewed periodically to determine the need for an allowance. Grants and accounts receivable less allowance for credit loss at January 1, 2024 amounted to \$2,539,497.

FeedMore Western New York, Inc. and Related Entities
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

n. Land, Building and Equipment

Land, building and equipment are recorded at cost and depreciated using the straight-line method over the assets' estimated useful lives. Expenditures for additions, improvements, and other enhancements to property, plant, and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property, plant, and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in results of operations.

U.S. GAAP requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There was no impairment noted for the years ended December 31, 2025 and 2024.

o. Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$3,031 and \$12,694 for the years ended December 31, 2025 and 2024, respectively.

p. Self Insurance

The Organization was a member of a self-funded workers compensation insurance trust through April 2010. The Organization remains subject to potential future liabilities related to workers compensation claims. As of December 31, 2025 and 2024, there were no known claims for which the Organization is liable.

q. Concentration of Risk

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among various asset classes should mitigate the impact of changes in any one class.

During the year ended December 31, 2025, the Organization received approximately 48% (44% – 2024) of its revenues and other support from federal, state and county sources, including client contributions under the home delivered meals program, and the loss of any one of these sources could have a material adverse effect on the Organization. The Organization has two separate agreements (the Agreements) with the Erie County Department of Senior Services (the County) to provide home delivered meals and congregate meals, respectively. The Agreements are each for a term of three years, subject to annual appropriation. The County, in its sole discretion, may extend the Agreements beyond their initial terms. The Agreements were renewed through December 31, 2026.

r. Expense Recognition and Allocation

The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets and detailed within the statements of functional expenses. Expenses directly attributed to a specific function are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

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s. Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of the underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its consolidated statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities and net assets.

The Organization made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free rate borrowing rate, which is aligned with the lease term at the lease commencement date.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization made an accounting policy election for lease and non lease components in its contract to not separate the lease and non-lease components of a contract. For all other underlying classes of assets, the Organization separates lease and non-lease components to determine the lease payment.

t. Debt Issuance costs

Debt issuance costs are amortized over the life of the associated debt using the straight-line method. Amortization of debt issuance costs is to be included in construction in process until the new facility is placed in service. During the year ended December 31, 2025, there was \$95,026 of amortization of debt issuance costs. There was no amortization of debt issuance costs for the year ended December 31, 2024.

u. Beneficial Interest in Asset Held by Others

The Organization is the beneficiary of a gift held in perpetuity and administrated by a third party. The beneficial interest in the assets is reported at fair value, which is estimated as the fair value of the underlying assets. Periodic distributions of income from the invested assets are recorded by the Organization and are without donor restriction. The value of the beneficial interest in the assets is adjusted annually for the change in its estimated fair value. These changes in value are reported as other income from beneficial interest on the accompanying statement of activities and changes in net assets.

v. Reclassifications

Certain amounts in the 2024 financial statements were reclassified to conform with the 2025 financial statement presentation. These reclassifications had no effect on previously reported net assets.

w. Subsequent Events

Subsequent events have been evaluated through June 25, 2026, which is the date the consolidated financial statements were available to be issued.

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2. Grants and Accounts Receivable

The grants and accounts receivables consist of the following December 31, 2025 and 2024:

	2025	2024
Due from New York State	\$ 2,466,212	\$ 1,470,231
Due from Erie and Niagara County	690,226	1,458,243
Due from Private contracts	479,519	377,118
Other	90,092	74,658
	<u>3,726,049</u>	<u>3,380,250</u>
Less: Allowance for credit losses	(10,000)	(10,000)
	<u><u>\$ 3,716,049</u></u>	<u><u>\$ 3,370,250</u></u>

3. Pledges Receivable

The Organization initiated a Capital Campaign (the "Campaign") to raise funds for a new facility. The Campaign, commenced in 2021, is intended to last a minimum of five years. During the year ended December 31, 2025, the Organization raised approximately \$541,000 under the Campaign (\$1,340,000 – 2024). As of December 31, 2025, pledges receivable relating to the Campaign have been recorded in the amount of \$2,782,192 (\$3,602,182 – 2024). The Organization has additional pledges receivable that are not related to the capital campaign in the amount of \$10,000 as of December 31, 2024 (\$18,948 – 2024).

	2025	2024
Pledges to be collected in		
Less than one year	\$ 1,475,745	\$ 1,389,423
One to five years	1,361,700	2,285,121
More than 5 years	50,000	100,000
	<u>2,887,445</u>	<u>3,774,544</u>
Less Present value discount	95,253	153,414
	<u>2,792,192</u>	<u>3,621,130</u>
Less Current portion	1,475,745	1,389,423
Long-term portion, net of discount	<u><u>\$ 1,316,447</u></u>	<u><u>\$ 2,231,707</u></u>

4. Liquidity and Availability

As of December 31, 2025 and 2024 financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and fulfillment of liabilities, were as follows:

	2025	2024
Operating assets		
Cash and cash equivalents	\$ 7,001,495	\$ 19,021,666
Accounts receivable, net	3,716,049	3,370,250
Investments	3,446,468	2,970,873
Total operating assets available	<u><u>\$ 14,164,012</u></u>	<u><u>\$ 25,362,789</u></u>

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The Organization manages its financial assets to be available as its operating expenditures, liabilities, and other obligations become due. The Organization's cash flows have fluctuations during the year attributable to the timing of operations and repayment from funding sources which varies on a funding source basis.

5. Investments

Financial Accounting Standards Board ("FASB") *Accounting Standard Codification* ("ASC") 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows

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

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of valuation methodologies used at December 31, 2025 and 2024:

Mutual Funds and Exchange Traded Funds (ETFs): Valued at the closing price reported on the active market on which the individual securities are traded. These investments are classified as Level 1 investments.

Corporate Equity Securities: Valued at the closing price reported on the active market on which the individual securities are traded. Equity securities are classified as Level 1 investments.

Money Market Funds: A money market fund is a public investment vehicle valued using \$1 for the net asset value (NAV). Money market funds are classified as Level 1 investments.

Investments in equity securities with readily determinable fair values are presented in the financial statements at fair value. Net realized and unrealized gains, which are reported in the consolidated statement of activities and changes in net assets for the year ended December 31, 2025, amounted to \$271,888. Included in this value are management fees paid to the Organization's investment advisor amounting to \$15,064. Net realized and unrealized gains for the year ended December 31, 2024 amounted to \$577,808. Management fees for the year ended December 31, 2024 amounted to \$70,977. The Organization has measured its investments at fair value on a recurring basis.

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Investments consist of the following at December 31, 2025:

	<u>Cost</u>	<u>Fair value</u>
Mutual funds and ETF's	\$ 2,643,367	\$ 2,951,837
Corporate equity securities	191,591	234,463
Money market funds	260,168	260,168
	<u>\$ 3,095,126</u>	<u>\$ 3,446,468</u>

Investments consist of the following at December 31, 2024:

	<u>Cost</u>	<u>Fair Value</u>
Mutual funds and ETFs	\$ 2,436,229	\$ 2,515,811
Corporate equity securities	186,081	218,211
Money market funds	236,851	236,851
	<u>\$ 2,859,161</u>	<u>\$ 2,970,873</u>

The following tables set forth financial assets measured at fair value in the consolidated statements of financial position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of December 31, 2025 and 2024:

Assets at Fair value as of December 31, 2025				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and ETF's	\$ 2,951,837	\$ -	\$ -	\$ 2,951,837
Corporate equity securities				
Domestic stocks	219,926	-	-	219,926
Foreign stocks	14,537	-	-	14,537
Money market funds	260,168	-	-	260,168
	<u>\$ 3,446,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,446,468</u>

Assets at Fair value as of December 31, 2024				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and ETF's	\$ 2,515,811	\$ -	\$ -	\$ 2,515,811
Corporate equity securities				
Domestic stocks	203,556	-	-	203,556
Foreign stocks	14,655	-	-	14,655
Money market funds	236,851	-	-	236,851
	<u>\$ 2,970,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,970,873</u>

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6. Land, Building and Equipment

The historical costs of the land, building and equipment and related accumulated depreciation balances at December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 3,192,985	\$ 3,192,985
Building	8,923,389	8,880,980
Leasehold improvements	63,845	63,845
Furniture, fixtures and equipment	3,963,247	3,923,056
Vehicles	3,008,424	2,834,961
Construction in progress	53,007,437	11,374,158
Property and equipment, gross	<u>72,159,327</u>	<u>30,269,985</u>
Less accumulated depreciation and amortization	10,125,884	9,397,922
Property and equipment, net	<u><u>\$ 62,033,443</u></u>	<u><u>\$ 20,872,063</u></u>

Asset categories and related estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Building	39-40
Leasehold improvements	15-35
Furniture, fixtures and equipment	3-10
Vehicles	5

Depreciation expense amounted to \$735,798 for the year ended December 31, 2025 (\$922,302 - 2024).

7. Inventories

Purchased Product: Food and grocery items that have been purchased with public and private funds, but which have not been distributed, are reported as inventory. The inventory of grant purchased food will be distributed at no charge to qualified organizations. This inventory is valued at cost. The cost of grant food and grocery items distributed during the year ended December 31, 2025 amounted to \$7,780,350 and \$799,168 under State and County, and private grant programs, respectively (\$6,046,979 and \$968,664 – 2024). Additional Federal (FEMA) and County funds were made available to member agencies with which to purchase food and grocery items from the wholesale inventory, which is available for purchase year-round. As of December 31, 2025, the value of purchased product amounted to \$1,227,327 (\$1,264,377 – 2024).

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Donated Product: The majority of food and grocery items that are distributed have been donated. The following represents a summary of these products for the year ended December 31, 2025:

	Pounds	Value
Inventory - beginning of year	259,380	\$ 500,704
Donations received	6,346,469	12,502,544
Distributed to WNY Programs	(6,242,113)	(12,296,962)
Spoiled Items (mostly perishable)	(23,140)	(45,586)
Transformations/adjustments	61,825	121,796
Inventory - end of year	402,421	\$ 782,496

The following represents a summary of these products for the year ended December 31, 2024:

	Pounds	Value
Inventory - beginning of year	568,904	\$ 1,092,296
Donations received	5,260,416	10,152,603
Distributed to WNY Programs	(5,556,158)	(10,717,595)
Spoiled Items (mostly perishable)	(20,860)	(40,260)
Transformations/adjustments	7,078	13,660
Inventory - end of year	259,380	\$ 500,704

The December 31, 2025 in-kind value was determined using a rate of \$1.97 (\$1.93 - 2024) per pound estimated by management using the most recently published Feeding America Independent Accountants' report on applying Agreed-Upon Procedures in determining an approximate average wholesale value of one pound of donated product at the national level.

USDA Products: The in-kind value of the United States Department of Agriculture (USDA) products is supplied by the New York State Office of General Services (through the United States Department of Agriculture) for informational purposes in tracking their cost of the value of the food distributed. The following summarizes the activity of USDA food for the year ended December 31, 2025:

	Pounds	Value
Inventory - beginning of the year	437,333	\$ 722,479
USDA received	2,957,029	5,016,937
USDA distributed	(2,993,530)	(5,329,954)
Transformations	(4,215)	(5,999)
Inventory - end of year	396,617	\$ 403,463

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The following summarizes the activity of USDA food for the year ended December 31, 2024:

	Pounds	Value
Inventory - beginning of the year	629,462	\$ 955,438
USDA received	4,325,765	8,143,540
USDA distributed	(4,482,652)	(8,333,554)
Transformations	(35,242)	(42,945)
Inventory - end of year	437,333	\$ 722,479

8. Long-Term Debt

On October 1, 2024, Hamburg New York Land Development Corporation (the Issuer) issued \$22,500,000 of tax-exempt revenue bonds, Series 2024 (the Bonds). The Bonds were issued pursuant to the New York Not-for-Profit Corporation Law and a bond resolution adopted by the Issuer on April 10, 2024, to finance the construction of a consolidated facility (the "Facility") for the benefit of FeedMore WNY Foundation, Inc. and FeedMore Western New York, Inc., collectively as the borrower. The Organization entered into a Bond Purchase and Building Loan Agreement with M & T Bank (the Bank) and the Issuer for the construction of the facility.

The Bonds are special limited obligations of the Issuer and are payable solely from amounts received from the Organization pursuant to the loan agreement and related indenture. The Organization is solely responsible for repayment of the loan and related interest. The Issuer has no obligation to repay the Bonds beyond the payments received from the Organization. The Bonds are structured as 30-year serial bonds with a final maturity on November 1, 2056. Interest on the Bonds is calculated using a floating rate based on the Secured Overnight Financing Rate (SOFR) plus 2.65%, multiplied by 79%. As of December 31, 2025, the effective interest rate was 5.15%.

The Organization executed a revolving bridge loan in the amount of \$20,000,000, in conjunction with the closing of the Qualified Tax-Exempt Bond. Interest on the revolving bridge loan is calculated at 2.55% plus the greater of the applicable SOFR or 0.00% (6.42% at December 31, 2025). The line of credit is to be used for construction and construction-related expenses for the new campus as an interim source of liquidity and is intended to be paid on a continual basis as funds are received from reimbursable grants and private pledges from the capital campaign.

As security for the Series 2024 Bonds and revolving bridge loan, FeedMore WNY Foundation, Inc. (the Foundation) executed a Mortgage and Security Agreement dated October 1, 2024, granting the Issuer a mortgage lien and security interest in the Foundation's interest in the project property located at 4832 Camp Road, Hamburg, New York. The Issuer then assigned its interest in the mortgage and bond purchase agreement to the Bank pursuant to a Pledge and Assignment and an Assignment of Mortgage. Additional security for the financing agreements includes (i) a first priority assignment of leases and rents related to the mortgaged property, (ii) first priority security interests granted by the Foundation and FeedMore WNY Foundation Helping, Inc. (the Guarantor) in substantially all of their assets, including donor pledges restricted to the capital campaign, pledge receipts from the capital campaign, government grant agreements entered into for the capital project, and government grant funds for the capital project, and (iii) an unlimited continuing guaranty executed by the Guarantor.

The financing agreements include certain financial and non-financial covenants, including requirements related to debt service coverage, maintenance of the new facility, and restrictions on additional indebtedness. As of December 31, 2025, the Organization was in compliance with all covenant provisions. At December 31, 2025 and 2024, no borrowings were outstanding under the financing agreements.

On January 23, 2025, the Organization entered into an Interest Rate Swap agreement with M&T Bank. The organization used this interest rate swap derivative to add stability to interest rate expense and to manage exposure to interest rate movements. The Organization will use this interest rate swap agreement to convert its bond from variable rate debt to fixed rate debt. Under the terms of the agreements, the Organization will pay a fixed rate of 3.45% and receives a variable payment equal to the SOFR plus varying spreads. This rate will become effective November 2, 2026. No interest was paid on the swap in the year ended December 31, 2025.

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9. Net Assets Without Donor Restrictions

Net assets without donor restrictions represent the net assets of the Organization available for the furtherance of its general goals and objectives. Net assets designated by the board for the capital campaign represents the amount available to be used to fund the Organization's capital campaign. During the year ended December 31, 2025, all net assets designated by the Board were utilized to fund the capital campaign.

Designation of net assets without donor restrictions consisted of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Designated by the Board of Directors for capital campaign	\$ -	\$ 23,400,000
Undesignated	48,062,958	21,035,464
Total net assets without donor restrictions	<u>\$ 48,062,958</u>	<u>\$ 44,435,464</u>

10. Net Assets With Donor Restrictions

At December 31, 2025 and 2024, net assets with donor restrictions are available for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Purpose restricted for programmatic use as follows		
Inventory for Distribution	\$ 553,889	\$ 544,833
Donations for future food expenditures	1,482,396	842,362
Donations and pledges for capital campaign	23,309,752	13,638,523
Other	10,000	10,000
Total purpose-restricted net assets	<u>25,356,037</u>	<u>15,035,718</u>
Time restrictions		
Pledges made for future periods	-	18,465
Beneficial interest in assets held by others	15,109,934	14,315,710
Total time-restricted net assets	<u>15,109,934</u>	<u>14,334,175</u>
Total net assets with donor restrictions	<u>\$ 40,465,971</u>	<u>\$ 29,369,893</u>

11. Retirement Plan

The Organization participates in two 403(b) Thrift Plans, with the first covering eligible employees of the Foundation and FeedMore, and the second covering eligible employees of HHI. The 403(b) plan covering employees of HHI was effective April 1, 2023. Eligible employees are automatically enrolled in the plan with a 3% salary deferral rate. Employees who are age 18 or older and work at least 1,000 hours per year are eligible to receive employer contributions after one year of employment. The plan provides a base employer contribution equal to 3% of the employee's annual compensation. The plan also provides an employer matching contribution of 100% of an employee's contribution up to 3% of the employee's annual compensation. During the year ended December 31, 2025, the Organization contributed approximately \$434,000 to the 403(b) Plan (\$377,000 – 2024).

12. Contributed Non-Financial Assets

Contributed nonfinancial assets are received by the Organization and are reflected as nonfinancial contributions and corresponding expenses in the accompanying consolidated statements of activities and changes in net assets for the year ended December 31, 2025 and 2024 were as follows:

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	2025	2024
Contributed space	\$ 5,877	\$ 50,498
Contributed goods	136,892	105,791
Contributed equipment		2,500
Contributed food	17,519,481	18,296,143
	<u>\$ 17,662,250</u>	<u>\$ 18,454,932</u>

The Organization recognized contributed nonfinancial assets as revenue. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed food was utilized across the Organization's various programs. Contributed food was valued based on a rate of \$1.97 (\$1.93 – 2024) per pound as described in Note 7.

The contributed goods were used in line with their purpose, such as the Organization's fundraising events and animals program. Contributed equipment will be used at the new campus. In valuing the goods and equipment, the Organization estimated their fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed space is comprised of donated warehouse space. Contributed space is valued and reported at the estimated fair value based on market rent.

13. Leases

The Organization leases office and warehouse space under operating lease agreements that have initial terms ranging from 5 to 49 years. Some leases include one or more options to renew, generally at the Organization's sole discretion, with renewal terms that can extend the lease term up to 5 years. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

The operating lease agreements for office space represent intercompany leases between FeedMore (tenant) and the Foundation (landlord), as well as between HHI (tenant) and the Foundation (landlord). Activity as a result of these leases is eliminated upon consolidation within the accompanying consolidated statement of activity and changes in net assets, and therefore excluded from below.

The Organization also leases office equipment and vehicles under finance lease agreements with terms ranging from 4 to 7 years and interest rates ranging from 1.04% to 1.37%. The Organization's finance leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. The components of lease expense are as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Operating lease cost	\$ 39,930	\$ 38,609
Finance lease cost - amortization of ROU assets	82,969	82,299
Finance lease cost - interest on lease liabilities	5,609	8,627
Variable lease cost	10,543	1,888
Total lease cost	<u>\$ 139,051</u>	<u>\$ 131,423</u>

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Supplemental cash flow information related to leases is as follows for the years ended December 31, 2025 and 2024:

Cash paid for amounts included in measurement of lease liabilities:

	<u>2025</u>	<u>2024</u>
Operating cash flows from operating leases	\$ 39,930	\$ 39,930
Financing cash flows from finance leases	\$ 78,495	\$ 57,600

Average lease terms and discount rates as of December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term:		
Operating leases	1.00 years	2.00 years
Finance lease	3.74 years	1.58 years
Weighted-average discount rate:		
Operating lease	1.37%	1.37%
Finance leases	3.45%	1.37%

The aggregate future lease payments for operating and finance leases December 31, 2025 were as follows:

	<u>Operating Leases</u>	<u>Finance leases</u>
2026	\$ 39,930	\$ 78,180
2027		44,580
2028		44,580
2029		44,580
2030		14,859
Total lease payments	<u>39,930</u>	<u>226,779</u>
Less imputed interest	<u>249</u>	<u>14,914</u>
Present value of lease liabilities	<u>\$ 39,681</u>	<u>\$ 211,865</u>

14. Construction Commitments and Contingencies

The Organization entered into several agreements with third parties relating to the construction of the new facility. The total cost under the guaranteed maximum price contract for construction management and the subcontracts that comprise a significant portion of pre-construction, construction and post-construction services, including specialty equipment, is not to exceed \$84,744,000. As of December 31, 2025, the Organization has incurred approximately \$39,531,000 under the terms of the contract.

The Organization entered into a second construction agreement with a third party to provide all material, equipment, tools, labor and material erection services for the construction of the pre-engineered metal building which will be the core of the new facility. The total cost of the construction contract is \$10,543,000. As of December 31, 2025, the Organization has incurred approximately \$9,346,000 under the terms of the contract.

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December 31, 2025 and 2024

The Organization entered into an agreement with an independent third party to provide owner's representative services to ensure that there is daily oversight of the project by experts in the fields of construction and engineering for a total cost of \$985,000. As of December 31, 2025, the Organization has incurred approximately \$648,000 under the terms of the contract. There are components of the project which are being managed by the owners and the owner's representative including architect and engineering services, permitting, specialty equipment and other miscellaneous items.

As part of the Campaign, the Organization was awarded certain grants that have not been recognized as revenue, as they are considered conditional promises to give. Commitments amounting to approximately \$37,400,000 (\$37,300,000 - 2024) have been made to the Campaign from various sources. As of December 31, 2025, \$8,100,000 has been recognized as income and the remaining amounts have not been recorded as capital campaign income or as pledges receivable, as all conditions of the pledges have not yet been met.

Consolidating Supplementary Information

FeedMore Western New York, Inc. and Related Entities
Consolidating Statement of Financial Position
Year Ended December 31, 2025

	FeedMore Western New York, Inc.	FeedMore WNY Foundation, Inc.	Hearty Helpings, Inc.	Eliminations	Total
Assets					
Current assets					
Cash	\$ 2,838,914	\$ 3,988,471	\$ 174,110	\$ -	\$ 7,001,495
Restricted cash and cash equivalents, current	-	1,555,790	-	-	1,555,790
Grants and other accounts receivable, net of allowance for credit losses (\$10,000 - 2025 and 2024)	8,222,421	5,070	1,804,866	(6,316,308)	3,716,049
Pledges receivable	-	1,475,745	-	-	1,475,745
Prepaid expenses	70,832	95,026	-	-	165,858
Food inventory	2,211,422	-	201,864	-	2,413,286
Total current assets	13,343,589	7,120,102	2,180,840	(6,316,308)	16,328,223
Investments	-	3,446,468	-	-	3,446,468
Land, building and equipment, net	1,321,966	59,515,748	1,195,729	-	62,033,443
Debt issuance costs	-	725,205	-	-	725,205
Pledges receivable, net	-	1,316,447	-	-	1,316,447
Beneficial interest in assets held by others	-	15,109,934	-	-	15,109,934
Right-of-use assets for operating leases	387,396	-	-	(347,715)	39,681
Right-of-use assets for finance leases, net	208,784	-	-	-	208,784
Total assets	\$ 15,261,735	\$ 87,233,904	\$ 3,376,569	\$ (6,664,023)	\$ 99,208,185

See Independent Auditor's Report.

FeedMore Western New York, Inc. and Related Entities
Consolidating Statement of Financial Position
Year Ended December 31, 2025

	FeedMore Western New York, Inc.	FeedMore WNY Foundation, Inc.	Hearty Helpings, Inc.	Eliminations	Total
Liabilities and net assets					
Current liabilities					
Accounts payable	\$ 2,424,380	\$ 9,310,324	\$ 2,583,910	\$ (6,316,308)	\$ 8,002,306
Accrued expenses	383,735	463,493	95,780	-	943,008
Refundable advance	1,482,396	-	-	-	1,482,396
Finance lease liabilities, current	72,080	-	-	-	72,080
Operating lease liabilities, current	51,171	-	-	(11,490)	39,681
Total current liabilities	4,413,762	9,773,817	2,679,690	(6,327,798)	10,539,471
Long-term lease liabilities					
Finance lease liabilities, noncurrent	139,785	-	-	-	139,785
Operating lease liabilities, noncurrent	336,225	-	-	(336,225)	-
Total long-term lease liabilities	476,010	-	-	(336,225)	139,785
Total liabilities	4,889,772	9,773,817	2,679,690	(6,664,023)	10,679,256
Net assets					
Without donor restrictions	8,335,679	39,030,400	696,879	-	48,062,958
With donor restrictions	2,036,284	38,429,687	-	-	40,465,971
Total net assets	10,371,963	77,460,087	696,879	-	88,528,929
Total liabilities and net assets	\$ 15,261,735	\$ 87,233,904	\$ 3,376,569	\$ (6,664,023)	\$ 99,208,185

See Independent Auditor's Report.

FeedMore Western New York, Inc. and Related Entities
Consolidating Statement of Activities and Changes in Net Assets
Year ended December 31, 2025

	FeedMore Western New York, Inc.	FeedMore WNY Foundation, Inc.	Hearty Helpings, Inc.	Eliminations	Total
Revenue, grants and other support					
Contributions					
Government funding	\$ 26,662,838	\$ -	\$ 1,070,883	\$ -	\$ 27,733,721
General contributions	1,996,400	6,185,125	40,000	-	8,221,525
Special events	-	1,901,095	-	-	1,901,095
Private grants	1,501,792	-	-	-	1,501,792
Client contributions of cash and other financial assets	1,297,783	-	-	-	1,297,783
Revenues					
Contract Medicaid funding	1,355,148	-	366	-	1,355,514
Program fees	1,199,951	-	7,818,730	(7,818,730)	1,199,951
Lease income	7,825	-	-	-	7,825
Contributions of nonfinancial assets					
Donated food	12,502,544	-	-	-	12,502,544
USDA food	5,016,937	-	-	-	5,016,937
General	57,664	37,767	47,338	-	142,769
Total revenue, grants and other support	51,598,882	8,123,987	8,977,317	(7,818,730)	60,881,456
Expenditures					
Program services	43,107,478	636,317	8,452,135	(7,841,459)	44,354,471
Management and general	1,417,560	873,108	293,012	-	2,583,680
Fundraising	-	1,953,191	-	-	1,953,191
Total expenditures	44,525,038	3,462,616	8,745,147	(7,841,459)	48,891,342
Income (loss) from operations	7,073,844	4,661,371	232,170	22,729	11,990,114

See Independent Auditor's Report.

FeedMore Western New York, Inc. and Related Entities
Consolidating Statement of Activities and Changes in Net Assets
Year ended December 31, 2025

	FeedMore Western New York, Inc.	FeedMore WNY Foundation, Inc.	Hearty Helpings, Inc.	Eliminations	Total
Other (income) expense					
Interest income	\$ 28,775	\$ 638,570	\$ -	\$ -	\$ 667,345
Net realized and unrealized gain on investments	-	271,888	-	-	271,888
Lease income - related party	-	22,729	-	(22,729)	-
Change in beneficial interest in assets held by others	-	1,794,225	-	-	1,794,225
Total other (income) expense	<u>28,775</u>	<u>2,727,412</u>	<u>-</u>	<u>(22,729)</u>	<u>2,733,458</u>
Change in net assets	7,102,619	7,388,783	232,170	-	14,723,572
Net assets					
Beginning of year	3,269,344	70,071,304	464,709	-	73,805,357
End of year	<u>\$ 10,371,963</u>	<u>\$ 77,460,087</u>	<u>\$ 696,879</u>	<u>\$ -</u>	<u>\$ 88,528,929</u>

See Independent Auditor's Report.