Central Texas Food Bank, Inc. and CTFB of TX Support Corporation

Independent Auditor's Report, Consolidated Financial Statements, and Supplementary Information

June 30, 2026 and 2025

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
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June 30, 2026 and 2025

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Independent Auditor's Report

Board of Directors
Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Austin, Texas

Opinion

We have audited the consolidated financial statements of Central Texas Food Bank, Inc. and CTFB of TX Support Corporation (collectively the Organization), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year ended June 30, 2026 and the nine-month period ended June 30, 2025, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the year ended June 30, 2026 and the nine-month period ended June 30, 2025 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 (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 the Organization 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.

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 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 that these 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on consolidated financial statements that collectively comprise the Organization's consolidated financial statements. The consolidating schedules of financial position and consolidating schedules of activities as listed in the table of contents are presented for purposes of additional analysis and are 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 consolidated financial statements. The consolidating 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 GAAS. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Forvis Mazars, LLP

Austin, Texas
October 21, 2026

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidated Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
ASSETS		
Cash and cash equivalents, including restricted cash	$ 11,666,517	$ 18,303,529
Grants and other receivables	2,190,282	6,642,645
Investments	77,287,671	69,701,109
Donated food inventory	1,640,520	1,349,485
Purchased food inventory	2,038,913	1,128,818
Prepaid expenses	198,403	617,366
Notes receivable	12,699,000	12,699,000
Intangible asset	416,610	-
Property and equipment, net	48,571,593	31,209,026
Total Assets	$ 156,709,509	$ 141,650,978
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 3,973,012	$ 3,007,118
Accrued liabilities	1,139,707	592,920
New markets tax credit notes payable, net	16,962,480	16,962,480
Total Liabilities	22,075,199	20,562,518
Net Assets		
Without donor restrictions		
Undesignated	89,698,483	81,265,670
Designated for future food distribution	3,679,433	2,153,041
Designated for operating reserve	41,000,000	37,000,000
Net assets without donor restrictions	134,377,916	120,418,711
With donor restrictions		
For programs	105,300	518,655
In perpetuity	151,094	151,094
Net assets with donor restrictions	256,394	669,749
Total Net Assets	134,634,310	121,088,460
Total Liabilities and Net Assets	$ 156,709,509	$ 141,650,978

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidated Statement of Activities
Year Ended June 30, 2026

	Year Ended June 30, 2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Public support			
Contributed non-financial assets			
Donated food	$ 79,320,766	$ -	$ 79,320,766
Grants and contracts	5,387,402	-	5,387,402
Contributions	40,427,616	105,300	40,532,916
Revenues			
Program service fees	3,271,732	-	3,271,732
Investment return, net	7,821,272	-	7,821,272
Other	97,273	-	97,273
	136,326,061	105,300	136,431,361
Net assets released from restrictions	518,655	(518,655)	-
Total Revenues, Gains, and Other Support	136,844,716	(413,355)	136,431,361
Expenses and Losses			
Program services			
Donated food program	116,219,958	-	116,219,958
Total program services	116,219,958	-	116,219,958
Support services			
Management and general	3,282,012	-	3,282,012
Fundraising	3,383,541	-	3,383,541
Total support services	6,665,553	-	6,665,553
Total Expenses and Losses	122,885,511	-	122,885,511
Change in Net Assets	13,959,205	(413,355)	13,545,850
Net Assets, Beginning of Year	120,418,711	669,749	121,088,460
Net Assets, End of Year	$ 134,377,916	$ 256,394	$ 134,634,310

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidated Statement of Activities
Nine-Month Period Ended June 30, 2025

	Nine-Month Period Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Public support			
Contributed non-financial assets			
Donated food	$ 64,908,090	$ -	$ 64,908,090
Grants and contracts	11,976,925	-	11,976,925
Contributions	21,473,381	518,655	21,992,036
Revenues			
Program service fees	1,822,717	-	1,822,717
Investment return, net	3,933,085	-	3,933,085
Other	59,414	-	59,414
	104,173,612	518,655	104,692,267
Net assets released from restrictions	15,000	(15,000)	-
Total Revenues, Gains, and Other Support	104,188,612	503,655	104,692,267
Expenses and Losses			
Program services			
Donated food program	90,904,149	-	90,904,149
Total program services	90,904,149	-	90,904,149
Support services			
Management and general	2,783,906	-	2,783,906
Fundraising	2,261,552	-	2,261,552
Total support services	5,045,458	-	5,045,458
Total Expenses and Losses	95,949,607	-	95,949,607
Change in Net Assets	8,239,005	503,655	8,742,660
Net Assets, Beginning of Period	112,179,706	166,094	112,345,800
Net Assets, End of Period	$ 120,418,711	$ 669,749	$ 121,088,460

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidated Statement of Functional Expenses
Year Ended June 30, 2026

	Donated Food Program	Support Services: Management and General	Support Services: Fundraising	Support Services: Total Support Services	Total
Donated food distributed to others	$ 79,245,162	$ -	$ -	$ -	$ 79,245,162
Salaries and related expenses	12,367,932	2,492,140	1,611,651	4,103,791	16,471,723
Food acquisitions	17,669,443	-	-	-	17,669,443
Fees for service	136,851	179,717	1,407,268	1,586,985	1,723,836
Equipment, rent, and maintenance	1,457,131	46,983	34,918	81,901	1,539,032
Occupancy	1,255,031	43,447	-	43,447	1,298,478
Mileage and freight	1,102,088	-	-	-	1,102,088
Professional fees	35,823	269,851	1,225	271,076	306,899
Insurance	537,914	32,452	8,394	40,846	578,760
Supplies	396,082	22,768	19,727	42,495	438,577
Conferences and meetings	95,963	74,963	2,246	77,209	173,172
Grants to agencies	99,534	14,742	-	14,742	114,276
Telephone	69,346	41,837	3,459	45,296	114,642
Printing and publication	7,080	23,930	226,329	250,259	257,339
Memberships	8,131	7,876	2,110	9,986	18,117
Postage	52,574	435	30,567	31,002	83,576
Interest and other	(6,298)	-	-	-	(6,298)
	114,529,787	3,251,141	3,347,894	6,599,035	121,128,822
Depreciation	1,690,171	30,871	35,647	66,518	1,756,689
Total expenses included in the expenses section on the consolidated statement of activities	$ 116,219,958	$ 3,282,012	$ 3,383,541	$ 6,665,553	$ 122,885,511

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidated Statement of Functional Expenses
Nine-Month Period Ended June 30, 2025

	Donated Food Program	Support Services: Management and General	Support Services: Fundraising	Support Services: Total Support Services	Total
Donated food distributed to others	$ 66,064,440	$ -	$ -	$ -	$ 66,064,440
Salaries and related expenses	9,062,420	1,949,584	956,671	2,906,255	11,968,675
Food acquisitions	11,241,272	27,866	-	27,866	11,269,138
Fees for service	168,727	192,349	1,141,855	1,334,204	1,502,931
Equipment, rent, and maintenance	806,444	19,349	16,607	35,956	842,400
Occupancy	984,212	9,602	-	9,602	993,814
Mileage and freight	820,574	-	-	-	820,574
Professional fees	24,558	144,229	619	144,848	169,406
Insurance	190,265	194,995	-	194,995	385,260
Supplies	167,434	80,142	61,133	141,275	308,709
Conferences and meetings	61,996	28,619	7,498	36,117	98,113
Grants to agencies	185,086	13,116	-	13,116	198,202
Telephone	46,427	39,230	2,600	41,830	88,257
Printing and publication	16,508	4,586	17,874	22,460	38,968
Memberships	705	6,365	5,675	12,040	12,745
Postage	2,137	1,167	15,373	16,540	18,677
Interest and other	16,619	41,836	-	41,836	58,455
	89,859,824	2,753,035	2,225,905	4,978,940	94,838,764
Depreciation	1,044,325	30,871	35,647	66,518	1,110,843
Total expenses included in the expenses section on the consolidated statement of activities	$ 90,904,149	$ 2,783,906	$ 2,261,552	$ 5,045,458	$ 95,949,607

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidated Statements of Cash Flows
Year Ended June 30, 2026 and Nine-Month Period Ended June 30, 2025

	2026	2025
Operating Activities		
Change in net assets	$ 13,545,850	$ 8,742,660
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,756,689	1,110,843
Unrealized and realized gain on investments	(5,493,716)	(1,642,312)
Donated food inventory	(291,035)	536,085
Noncash acquisition of intangible assets	(416,610)	-
Contributions restricted for long lived assets	(105,300)	(518,655)
Changes in operating assets and liabilities		
Grants and other receivable	4,452,363	(4,381,862)
Purchased food inventory	(910,095)	699,685
Prepaid expenses	418,963	(264,611)
Accounts payable	2,287,317	220,470
Accrued liabilities	546,787	(317,541)
Net Cash Provided by Operating Activities	15,791,213	4,184,762
Investing Activities		
Purchases of investments	(3,005,256)	(299,880,491)
Proceeds from sale of investments	912,410	264,700,577
Issuance of note receivable	-	(12,699,000)
Purchase of property and equipment	(20,440,679)	(8,431,423)
Net Cash Used in Investing Activities	(22,533,525)	(56,310,337)
Financing Activities		
Borrowings under note payable	-	17,640,000
Debt issuance cost	-	(677,520)
Proceeds from contributions of long lived assets	105,300	518,655
Net Cash Provided by Financing Activities	105,300	17,481,135
Decrease in Cash and Cash Equivalents	(6,637,012)	(34,644,440)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Period	18,303,529	52,947,969
Cash, Cash Equivalents, and Restricted Cash, End of Period	$ 11,666,517	$ 18,303,529
Supplemental Cash Flows Information		
Interest paid	$ 235,004	$ 91,390
Property and equipment in accounts payable	$ 84,254	$ 1,405,677

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Central Texas Food Bank, Inc. (Food Bank), is a Texas nonprofit corporation. The Food Bank accepts food donations and distributes to various agencies and food-insecure individuals. On May 5, 2024, the board of directors voted to change the fiscal year-end from September 30 to June 30, effective for the fiscal year beginning October 1, 2024.

A former nonprofit established by the Food Bank's board, CAFB of TX Support Corporation, was renamed CTFB of TX Support Corporation (Support Corporation) during the period ended June 30, 2025. Support Corporation is a Texas nonprofit corporation for the sole benefit of the Food Bank. Its purpose, among other things, is to receive and maintain a fund or funds of real or personal property, or both, and to use and apply the income derived therefrom and the principal thereof, exclusively for the benefit of the Food Bank. On January 10, 2025, the Food Bank and Support Corporation entered into a construction contract to build a new food hub in Waco, Texas. The contract has a guaranteed maximum price of $20,911,926.

The Food Bank raises funds through government grants and donations from organizations, businesses, and individuals. Funding is provided primarily by donated food received, public support, program fees, and grants and contracts. The Food Bank is a part of the Feeding America Network.

Principles of Consolidation

The consolidated financial statements include the accounts of the Food Bank and Support Corporation (collectively, the Organization). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 consolidated financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts and assets limited as to use, are not considered to be cash and cash equivalents. Deposit accounts restricted internally by the board and/or externally by regulators are considered to be cash and cash equivalents. At June 30, 2026 and 2025, cash equivalents consisted primarily of money market and time deposit accounts with brokers.

At June 30, 2026, the Organization's cash accounts exceeded federally insured limits by approximately $11,690,000.

At June 30, 2026 and 2025, a total of $70,000 and $80,000, respectively, in cash is restricted for a reserve to cover management fees and administrative and compliance expenses related to the new markets tax credit transaction (see Note 6).

Grants and Other Receivables

Grants and other receivables consist primarily of amounts due from federal, state, and local government agencies, as well as other nonprofit organizations, in connection with awarded grants and contracts. These receivables are

recorded when the related revenue is earned, which typically occurs as qualifying expenses are incurred under the terms of the grant or contract.

The Organization provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. At June 30, 2026 and 2025, there was no allowance for credit losses.

Investments and Net Investment Return

The Organization measures securities at fair value.

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments less external investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of activities with or without donor restrictions based upon the existence and nature of any donor- or legally imposed restrictions.

Food Inventory

The Food Bank acts as an agent for the donors of food, distributing it to various agencies. Donated food inventory on-hand at June 30, 2026 and 2025 from the TEFAP and CSFP programs is recorded in the consolidated financial statements at market price published by the USDA. All other donated food inventory on-hand is recorded at the average value of $1.92 and $1.90 per pound, respectively, as calculated by Feeding America, a nationwide network of member food banks. The Food Bank recognizes donated food and commodities as donated food inventory and as contributions in the consolidated financial statements. Donated food is recognized as expenses when distributed. Purchased food inventory is valued at the cost of products purchased as determined by the first-in, first-out method.

Property and Equipment

Property and equipment acquisitions greater than $5,000 are stated at cost less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	5 to 40 years
Equipment	3 to 16 years
Vehicles	5 to 10 years
Garden	10 to 40 years

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the year ended June 30, 2026 and the nine-month period ended June 30, 2025.

Notes Receivable

Notes receivable are reported at their outstanding principal balance. Notes receivable are considered to be fully collectible and, accordingly, no allowance for credit losses has been provided. In making that determination, management evaluated the financial condition of the borrower, the estimated value of the underlying collateral, and current economic conditions. Interest on notes receivable is recognized over the term of the notes receivable and is calculated using the simple-interest method on principal amounts outstanding.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. The Organization records these costs as direct deductions from the related debt. Such costs are being amortized over the term of the respective debt using the effective interest method.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve in compliance with Feeding America recommendations and other future purposes of the Organization.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donated Food

Donated food is recognized at fair value as a contribution when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. A substantial number of volunteers have contributed significant amounts of time in connection with the food distribution program for which no amount has been recorded in the consolidated financial statements because the donated services did not meet the criteria for recognition under GAAP. It is estimated that volunteers contributed approximately 141,400 hours and 99,600 hours to the food distribution program during the year ended June 30, 2026 and nine-month period ended June 30, 2025, respectively, to the Food Bank.

Program Service Fees

Program service fee revenue is recognized as the Food Bank satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Food Bank expects to be entitled in exchange for providing services. The Food Bank determines the transaction price based on standard charges for services provided.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts—with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.*, the donor-imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations that are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations that are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Government Grants

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Sales of Purchased Food

Sales of purchased food are recognized as revenue when shipments of food are made to agencies.

Income Taxes

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. The Organization files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on time and effort, square footage, and other methods.

Note 2. Investments and Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2026 and 2025:

		Fair Value Measurements Using		
Asset Class	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2026				
Common stocks	$ 30,251,765	$ 30,251,765	$ -	$ -
Corporate bonds	21,795,966	21,795,966	-	-
	52,047,731	$ 52,047,731	$ -	$ -
At cost				
Cash	1,323,174			
Time deposits	23,916,766			
Total	$ 77,287,671			
2025				
Common stocks	$ 25,561,579	$ 25,561,579	$ -	$ -
Corporate bonds	20,241,131	20,241,131	-	-
	45,802,710	$ 45,802,710	$ -	$ -
At cost				
Cash	868,892			
Time deposits	23,029,507			
Total	$ 69,701,109			

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 3. Notes Receivable

On February 11, 2025, the Organization issued a $12,699,000 note receivable to COCRF Investor 305, LLC, a Delaware limited liability company formed for the purpose of facilitating New Markets Tax Credit (NMTC) financing. The note bears interest at 1.00% per annum, payable quarterly, and matures in 2048. The note is secured by the

investment fund's membership interest in RDP 51 LLC, a Community Development Entity (CDE), and its rights to the underlying Qualified Low-Income Community Investment (QLICI) loans (see Note 6).

The note was issued as part of a leveraged NMTC structure in which the investment fund combined the Organization's leverage loan with a $5,616,000 equity investment from Capital One, N.A., to make an $18,000,000 Qualified Equity Investment into the CDE. The CDE then lent $17,640,000 to the Organization's affiliate, Support Corporation, in two QLICI loans.

Note 4. Property and Equipment

Property and equipment consists of the following at June 30:

	2026	2025
Land	$ 4,039,307	$ 4,039,307
Construction in progress	22,913,498	6,770,475
Building	21,735,361	20,451,501
Office equipment	1,579,450	1,312,147
Warehouse equipment	3,588,315	2,371,453
Vehicles	4,445,877	4,360,889
Kitchen equipment	808,178	808,178
Garden	844,726	844,726
Other equipment	82,746	82,746
	60,037,458	41,041,422
Less accumulated depreciation	(11,465,865)	(9,832,396)
Property and equipment, net	$ 48,571,593	$ 31,209,026

Note 5. Acquired Intangible Assets

The carrying basis and accumulated amortization of recognized intangible assets were as follows at June 30, 2026:

	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets		
Donor list	$ 416,610	$ -

Estimated amortization expense for each of the following years is:

2027	$ 192,282
2028	192,282
2029	32,046
	$ 416,610

Note 6. New Markets Tax Credit Notes Payable

On February 11, 2025, the Organization entered into an NMTC financing arrangement to support the construction of a new facility in Waco, Texas. The financing was structured through a leveraged NMTC model involving a third-party investor and CDE. As part of the transaction, the Organization (through Food Bank) provided a $12,699,000 leverage loan to an investment fund (COCRF Investor 305, LLC), which combined that loan with a $5,616,000 equity investment from Capital One, N.A., to make an $18,315,000 Qualified Equity Investment (QEI) into RDP 51 LLC, a CDE managed by Rural Development Partners LLC. The CDE then made two QLICI loans to the Organization's affiliate, CTFB of TX Support Corporation (QALICB), totaling $17,640,000. These loans are interest-only and mature in 2055.

The QLICI loans consist of:

- Loan A: $12,699,000, funded by the leverage loan, bearing interest at 1.332% per annum.
- Loan B: $4,941,000, funded by the investor's equity, bearing interest at approximately 1.332% per annum.

The QALICB is obligated to make quarterly interest payments on both loans. The loans are secured by the project assets and are subject to standard NMTC compliance requirements for a seven-year period.

The investor holds a put option, exercisable after the seventh anniversary of the closing date, to sell its interest in the investment fund to the Organization for a nominal amount (*e.g.*, $1,000). The Organization also holds a call option to acquire the investor's interest at fair market value if the put is not exercised.

The Organization also funded an $80,000 reserve account at closing to cover audit, tax, and compliance costs over the seven-year compliance period. This amount is recorded as restricted cash and will be drawn down over time as compliance costs are incurred.

	2026	2025
Total new markets tax credit notes payable	$ 17,640,000	$ 17,640,000
Less unamortized debt issuance cost	(677,520)	(677,520)
New markets tax credit notes payable, net	$ 16,962,480	$ 16,962,480

Note 7. Contributed Nonfinancial Assets

The majority of food distributed by the Food Bank is received by contributions from the general public and the U.S. Department of Agriculture (USDA). The estimated value of these contributions is recognized in the consolidated financial statements as donated food revenue and donated food inventory or program expenses if distributed during the year. The pounds collected are recorded by the Food Bank's staff at the time of receipt based on actual weight. Where donated food cannot be reported based upon market prices, it is reported at an estimated fair value using the weighted-average wholesale value per pound of food as determined in an annual study performed by Feeding America. The nonfinancial assets listed above were recognized within revenue. Contributed nonfinancial assets did not have donor-imposed restrictions.

The weighted-average wholesale value per pound of food was $1.90 from July 1, 2025 through December 31, 2025 and $1.92 from January 1, 2026 through June 30, 2026, as published by Feeding America. The total value of contributed food is as follows for the year ended June 30, 2026:

	Pounds	Value Per Pound	Amount
General donations – food	35,449,952	$.32 to $1.97	$ 67,219,148
USDA	13,875,487	$.26 to $6.26	12,101,618
Total Food Bank	49,325,439		$ 79,320,766

The weighted-average wholesale value per pound of food was $1.97 from October 1, 2024 through December 31, 2024 and $1.90 from January 1, 2025 through June 30, 2025, as published by Feeding America. The nonfinancial assets listed above were recognized within revenue. Contributed nonfinancial assets did not have donor-imposed restrictions. The total value of contributed food is as follows for the nine-month period ended June 30, 2025:

	Pounds	Value Per Pound	Amount
General donations – food	27,744,792	$.06 to $3.36	$ 54,145,324
USDA	11,887,491	$.05 to $6.26	10,762,766
Total Food Bank	39,632,283		$ 64,908,090

Note 8. Net Assets

Net Assets – Board-Designated

Board-designated net assets are those funds set aside by the board of the Organization for the purpose of future planning and management of assets. Board-designated net assets are restricted for the following purposes or periods at June 30:

	2026	2025
For future food distribution	$ 3,679,433	$ 2,153,041
For operating reserve	41,000,000	37,000,000
Total net assets with board designations	$ 44,679,433	$ 39,153,041

Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	2026	2025
Time or purpose		
Capital expenditures	$ 105,300	$ 518,655
In perpetuity		
Endowment	151,094	151,094
Total net assets with donor restrictions	$ 256,394	$ 669,749

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2026	2025
Satisfaction of purpose restriction		
Capital campaign	$ 518,655	$ -
Disaster support	-	10,000
SFSP grant	-	5,000
	$ 518,655	$ 15,000

Note 9. Retirement Plan

The Food Bank participates in a 403(b) plan, which is made up of a group of other local nonprofits sponsored by One Voice Central Texas. Eligible employees may contribute to the Plan a portion of their annual salary through payroll deductions. The Food Bank contributes 2% of each eligible full-time employee's salary to the Plan and also matches up to 5% of each employee's salary reduction contribution. All employees with one year of service are eligible to participate in the Plan. All Food Bank contributions are fully vested. For the year ended June 30, 2026 and the nine-month period ended June 30, 2025, the Food Bank contributed $474,322 and $306,909, respectively, to the plan.

Note 10. Conditional Gifts

The Food Bank has received approximately $1,335,000 and $1,341,000 in conditional promises to give at June 30, 2026 and 2025, respectively. These conditional promises are not recognized in the consolidated financial statements.

Note 11. Revenue From Contracts With Customers

Program Service Fee Revenue

Program service fee revenue is recognized as the Food Bank satisfies its performance obligations under contracts with customers. Performance obligations are determined based on the nature of the goods or services promised in each contract. Revenue for performance obligations satisfied at a point in time is recognized when the applicable goods or services have been provided and control has transferred to the customer. The Food Bank may have additional performance obligations under a contract for goods or services to be provided in future periods.

Transaction Price and Recognition

The Food Bank determines the transaction price based on the consideration to which it expects to be entitled under each contract in exchange for the promised goods or services.

Practical Expedient Elected

The Food Bank has elected to apply the portfolio approach to the contracts evaluated under Accounting Standards Codification 606. A portfolio approach is permitted if it is reasonably expected that the approach's impact on the consolidated financial statements will not be materially different from the impact of applying the revenue standard on an individual contract basis. In order to use the portfolio approach, an entity must reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts.

Accounts Receivable

Information regarding the Food Bank's receivables from contracts with customers includes accounts receivable of $2,190,282, $6,642,645, and $2,260,783 at June 30, 2026 and 2025 and September 30, 2024, respectively.

Note 12. Performance Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use comprise the following within one year of June 30:

	2026	2025
Financial assets at year-end		
Cash, cash equivalents, and restricted cash	$ 11,666,517	$ 18,303,529
Grants and other receivables	2,190,282	6,642,645
Investments	77,287,671	69,701,109
	91,144,470	94,647,283
Less amounts not available to be used within one year		
Restricted cash	70,000	80,000
Net assets with board designations	44,679,433	39,153,041
Net assets with donor restrictions	256,394	669,749
	44,935,827	39,822,790
Financial assets available to meet general expenditures within one year	$ 46,208,643	$ 54,824,493

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a liquidity policy to maintain financial assets to meet 12 months of operating expenses. As part of its liquidity policy, excess cash may be invested in short-term investments, including money market accounts, certificates of deposit, and U.S. Treasuries. Excess cash may also be invested in instruments like stocks and bonds that are easily converted to cash.

Note 13. Significant Estimates and Concentrations

GAAP requires disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Investments

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Grants and Contracts

The grants from federal, state, and local funding sources require fulfillment of certain conditions as set forth in the grant contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of noncompliance by the Food Bank with the terms of the contracts. Management believes such disallowances, if any, would not be material to the Food Bank's financial position or changes in net assets.

Note 14. Related-Party Transactions

Certain members of the board of the Organization contributed $55,733 and $54,091 during the year ended June 30, 2026 and the nine-month period ended June 30, 2025, respectively.

Note 15. Subsequent Events

The Organization has evaluated subsequent events through October 21, 2026, which is the date the consolidated financial statements were available to be issued. No subsequent events requiring adjustment to or disclosure in the consolidated financial statements were identified.

Supplementary Information

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidating Schedule of Financial Position
June 30, 2026

	Food Bank	Support Corporation	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents, including restricted cash of $70,000	$ 9,775,463	$ 1,891,054	$ -	$ 11,666,517
Grants and other receivables	2,190,282	-	-	2,190,282
Investments	77,287,671	-	-	77,287,671
Donated food inventory	1,640,520	-	-	1,640,520
Purchased food inventory	2,038,913	-	-	2,038,913
Prepaid expenses	198,403	-	-	198,403
Notes receivable	12,699,000	-	-	12,699,000
Intangible asset	416,610	-	-	416,610
Property and equipment, net of accumulated depreciation of $11,465,865	32,018,557	16,553,036	-	48,571,593
Total Assets	$ 138,265,419	$ 18,444,090	$ -	$ 156,709,509
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	$ 3,973,012	$ -	$ -	$ 3,973,012
Accrued liabilities	1,139,707	-	-	1,139,707
New markets tax credit notes payable, net, financing cost of $677,520	-	16,962,480	-	16,962,480
Total Liabilities	5,112,719	16,962,480	-	22,075,199
Net Assets				
Without donor restrictions				
Undesignated	88,216,873	1,481,610	-	89,698,483
Designated for future food distribution	3,679,433	-	-	3,679,433
Designated for operating reserve	41,000,000	-	-	41,000,000
Net assets without donor restrictions	132,896,306	1,481,610	-	134,377,916
With donor restrictions				
For programs	105,300	-	-	105,300
In perpetuity	151,094	-	-	151,094
Net assets with donor restrictions	256,394	-	-	256,394
Total Net Assets	133,152,700	1,481,610	-	134,634,310
Total Liabilities and Net Assets	$ 138,265,419	$ 18,444,090	$ -	$ 156,709,509

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidating Schedule of Financial Position
June 30, 2025

	Food Bank	Support Corporation	Eliminations	Consolidated
ASSETS				
Cash and cash equivalents, including restricted cash of $80,000	$ 1,300,617	$ 17,002,912	$ -	$ 18,303,529
Grants and other receivables	6,642,645	-	-	6,642,645
Investments	69,701,109	-	-	69,701,109
Donated food inventory	1,349,485	-	-	1,349,485
Purchased food inventory	1,128,818	-	-	1,128,818
Prepaid expenses	617,366	-	-	617,366
Notes receivable	12,699,000	-	-	12,699,000
Property and equipment, net of accumulated depreciation of $9,832,396	29,837,863	1,371,163	-	31,209,026
Total Assets	$ 123,276,903	$ 18,374,075	$ -	$ 141,650,978
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	$ 3,007,118	$ -	$ -	$ 3,007,118
Accrued liabilities	592,920	-	-	592,920
New markets tax credit notes payable, net, financing cost of $677,520	-	16,962,480	-	16,962,480
Total Liabilities	3,600,038	16,962,480	-	20,562,518
Net Assets				
Without donor restrictions				
Undesignated	79,854,075	1,411,595	-	81,265,670
Designated for future food distribution	2,153,041	-	-	2,153,041
Designated for operating reserve	37,000,000	-	-	37,000,000
Net assets without donor restrictions	119,007,116	1,411,595	-	120,418,711
With donor restrictions				
For programs	518,655	-	-	518,655
In perpetuity	151,094	-	-	151,094
Net assets with donor restrictions	669,749	-	-	669,749
Total Net Assets	119,676,865	1,411,595	-	121,088,460
Total Liabilities and Net Assets	$ 123,276,903	$ 18,374,075	$ -	$ 141,650,978

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidating Schedule of Activities
For the Year Ended June 30, 2026

	Food Bank				Support Corporation		
	Operating Fund						
	Without Donor Restrictions	Time and/or Purpose Donor Restrictions	In Perpetuity Donor Restrictions	Operating Reserve	Without Donor Restrictions	Eliminations	Total
Revenues, Gains, and Other Support							
Public support							
Donated food	$ 79,320,766	$ -	$ -	$ -	$ -	$ -	$ 79,320,766
Grants and contracts	5,387,402	-	-	-	-	-	5,387,402
Contributions	40,660,114	105,300	-	-	-	(232,498)	40,532,916
Revenues							
Program service fees	3,271,732	-	-	-	-	-	3,271,732
Investment return, net	7,858,759	-	-	-	197,517	(235,004)	7,821,272
Other	97,273	-	-	-	350,000	(350,000)	97,273
	136,596,046	105,300	-	-	547,517	(817,502)	136,431,361
Net assets released from restrictions	518,655	(518,655)	-	-	-	-	-
Total Revenues, Gains, and Other Support	137,114,701	(413,355)	-	-	547,517	(817,502)	136,431,361
Expenses and Losses							
Program services							
Donated food program	116,219,958	-	-	-	-	-	116,219,958
Total program services	116,219,958	-	-	-	-	-	116,219,958
Support services							
Management and general	3,622,012	-	-	-	477,502	(817,502)	3,282,012
Fundraising	3,383,541	-	-	-	-	-	3,383,541
Total support services	7,005,553	-	-	-	477,502	(817,502)	6,665,553
Total Expenses	123,225,511	-	-	-	477,502	(817,502)	122,885,511
Change in Net Assets	13,889,190	(413,355)	-	-	70,015	-	13,545,850
Transfers Among Funds	(4,000,000)	-	-	4,000,000	-	-	-
Net Assets, Beginning of Period	82,007,116	518,655	151,094	37,000,000	1,411,595	-	121,088,460
Net Assets, End of Period	$ 91,896,306	$ 105,300	$ 151,094	$ 41,000,000	$ 1,481,610	$ -	$ 134,634,310

Central Texas Food Bank, Inc. and CTFB of TX Support Corporation
Consolidating Schedule of Activities
For the Nine-Month Period Ended June 30, 2025

	Food Bank				Support Corporation		
	Operating Fund						
	Without Donor Restrictions	Time and/or Purpose Donor Restrictions	In Perpetuity Donor Restrictions	Operating Reserve	Without Donor Restrictions	Eliminations	Total
Revenues, Gains, and Other Support							
Public support							
Donated food	$ 64,908,090	$ -	$ -	$ -	$ -	$ -	$ 64,908,090
Grants and contracts	11,976,925	-	-	-	-	-	11,976,925
Contributions	21,398,381	518,655	-	-	1,373,979	(1,298,979)	21,992,036
Revenues							
Program service fees	1,822,717	-	-	-	-	-	1,822,717
Investment return, net	3,804,079	-	-	-	129,006	-	3,933,085
Other	59,414	-	-	-	-	-	59,414
	103,969,606	518,655	-	-	1,502,985	(1,298,979)	104,692,267
Net assets released from restrictions	15,000	(15,000)	-	-	-	-	-
Total Revenues, Gains, and Other Support	103,984,606	503,655	-	-	1,502,985	(1,298,979)	104,692,267
Expenses and Losses							
Program services							
Donated food program	90,904,149	-	-	-	-	-	90,904,149
Total program services	90,904,149	-	-	-	-	-	90,904,149
Support services							
Management and general	3,991,495	-	-	-	91,390	(1,298,979)	2,783,906
Fundraising	2,261,552	-	-	-	-	-	2,261,552
Total support services	6,253,047	-	-	-	91,390	(1,298,979)	5,045,458
Total Expenses	97,157,196	-	-	-	91,390	(1,298,979)	95,949,607
Change in Net Assets	6,827,410	503,655	-	-	1,411,595	-	8,742,660
Transfers Among Funds	(3,000,000)	-	-	3,000,000	-	-	-
Net Assets, Beginning of Period	78,179,706	15,000	151,094	34,000,000	-	-	112,345,800
Net Assets, End of Period	$ 82,007,116	$ 518,655	$ 151,094	$ 37,000,000	$ 1,411,595	$ -	$ 121,088,460