RANDLE & ASSOCIATES, LLC
Certified Public Accountants

FOOD OUTREACH, INC.

Financial Statements

December 31, 2025 and 2024

(With Independent Auditor's Report Thereon)

www.randlecpa.com

FOOD OUTREACH, INC.

FINANCIAL STATEMENTS

December 31, 2025 and 2024

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70 Black Jack Ct.
Florissant, MO 63033

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Food Outreach, Inc.

Opinion

We have audited the accompanying financial statements of Food Outreach, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Outreach, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Food Outreach, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Food Outreach, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Food Outreach, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Food Outreach Inc.'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2026, on our consideration of Food Outreach Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Food Outreach Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Food Outreach Inc.'s internal control over financial reporting and compliance.

Randle & associates, LLC, CPAs

Florissant, Missouri
July 2, 2026

FOOD OUTREACH, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	December 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,022,468	$ 1,157,452
Grants receivable	414,912	155,034
Prepaid expenses	74,198	72,068
Inventory	29,768	26,114
Total Current Assets	2,541,346	1,410,668
Investments, at fair value	3,507,293	3,417,265
Operating lease right of use asset	25,740	4,118
Property and equipment:		
Land	231,573	231,573
Building and improvements	1,220,242	1,220,242
Office furniture and equipment	864,081	862,719
Accumulated depreciation and amortization	(1,563,352)	(1,482,625)
Total Property and equipment	752,544	831,909
TOTAL ASSETS	6,826,923	5,663,960
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	39,900	57,377
Accrued compensated absences	10,714	12,575
Accrued pension	47,016	44,317
Deferred revenue	805	1,063
Operating lease liability - current	4,958	4,118
Total Current Liabilities	103,393	119,450
Operating lease liability - long term	20,782	-
TOTAL LIABILITIES	124,175	119,450
NET ASSETS		
Without donor restrictions		
Undesignated - available for operations	3,870,191	3,403,138
Investment in property and equipment	752,544	831,909
Board designated operating reserve	1,850,000	1,100,000
Board designated reserve for building and equipment	200,000	200,000
Total without donor restrictions	6,672,735	5,535,047
With donor restrictions		
Purpose restrictions	30,013	9,463
Total with donor restrictions	30,013	9,463
TOTAL NET ASSETS	6,702,748	5,544,510
TOTAL LIABILITIES AND NET ASSETS	$ 6,826,923	$ 5,663,960

See auditor's report and accompanying notes to financial statements

FOOD OUTREACH, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Support						
Government grants	$ 1,343,811	$ -	$ 1,343,811	$ 1,298,916	$ 150,000	$ 1,448,916
Individual contributions and tributes	949,779	35,250	985,029	362,801	20,000	382,801
Donation in-kind	44,294	-	44,294	29,006	-	29,006
Religious contributions	1,819	-	1,819	1,865	-	1,865
Foundation contributions	532,255	-	532,255	530,537	-	530,537
Corporation contributions	150,555	-	150,555	89,859	-	89,859
Special events (net of direct cost of $66,274 and $67,446 for 2025 and 2024 respectively)	338,241	-	338,241	312,239	-	312,239
Appeals and solicitations	96,515	-	96,515	101,549	-	101,549
Investment earnings, net of fees	559,864	-	559,864	307,931	-	307,931
Gain on sale of assets	-		-	10,500	-	10,500
Miscellaneous	52,569	-	52,569	14,276	-	14,276
Total	4,069,702	35,250	4,104,952	3,059,479	170,000	3,229,479
Net assets released from restrictions	14,700	(14,700)	-	188,355	(188,355)	-
Total support and revenue	4,084,402	20,550	4,104,952	3,247,834	(18,355)	3,229,479
Expenses						
Program services	2,175,232	-	2,175,232	2,310,275	-	2,310,275
Supporting services:						
Administration	383,241	-	383,241	353,676	-	353,676
Fundraising	388,241	-	388,241	313,708	-	313,708
Total expenses	2,946,714	-	2,946,714	2,977,659	-	2,977,659
CHANGE IN NET ASSETS	1,137,688	20,550	1,158,238	270,175	(18,355)	251,820
Net Assets-Beginning of year	5,535,047	9,463	5,544,510	5,264,872	27,818	5,292,690
Net Assets-End of year	$ 6,672,735	$ 30,013	$ 6,702,748	$ 5,535,047	$ 9,463	$ 5,544,510

See auditor's report and accompanying notes to financial statements

FOOD OUTREACH, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	December 31, 2025	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ 1,158,238**	$ 251,820
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation expense	**135,646**	120,221
Unrealized/realized loss /(gain) on investments	**(445,272)**	(214,452)
Gain on disposal of property and equipment	**-**	(10,500)
(Increase)/ Decrease in operating assets:		
Grants receivable	**(259,878)**	23,125
Prepaid expenses	**(2,130)**	(8,512)
Inventories	**(3,654)**	47,654
Increase/(Decrease) in operating liabilities:		
Accounts payable	**(17,477)**	(37,196)
Accrued compensated absences	**(1,861)**	(2,986)
Accrued pension	**2,699**	4,870
Deferred revenue	**(258)**	1,063
Total adjustments	**(592,185)**	(76,713)
CASH PROVIDED BY OPERATING ACTIVITIES	**566,053**	175,107
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of capital assets	**(56,281)**	(228,791)
Proceeds from sale of investments	**450,000**	43,324
Proceeds from sale of capital assets	**-**	10,500
Purchase of investments	**(94,756)**	(93,479)
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	**298,963**	(268,446)
NET (DECREASE)/INCREASE IN CASH	**865,016**	(93,339)
CASH AT BEGINNING OF YEAR	**1,157,452**	1,250,791
CASH AT END OF YEAR	**$ 2,022,468**	$ 1,157,452

See auditor's report and accompanying notes to financial statements.

FOOD OUTREACH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	HIV/AIDS	Cancer	Total Program	Administrative	Fundraising	Total
Salaries	$ 513,323	$ 205,134	$ 718,457	$ 138,980	$ 225,904	$ 1,083,341
Employee benefits	91,524	36,791	128,315	26,773	35,802	190,890
Payroll taxes and other expenses	40,233	16,050	56,283	11,047	17,739	85,069
	645,080	257,975	903,055	176,800	279,445	1,359,300
Automobile and truck	3,783	1,517	5,300	1,161	1,374	7,835
Bank and credit card fees	-	-	-	6,651	4,829	11,480
Community outreach and other developments	598	244	842	272	-	1,114
Computer software expense	27,047	10,809	37,856	9,007	11,903	58,766
Depreciation	64,273	25,685	89,958	17,402	28,286	135,646
Dues and subscriptions	2,372	967	3,339	21,092	3,726	28,157
Food, nutritional supplements and consumables	637,990	258,682	896,672	-	-	896,672
In-kind:						
Food, nutritional supplements and consumables	31,449	12,845	44,294	-	-	44,294
Insurance	31,043	12,406	43,449	11,821	13,662	68,932
Maintenance - building	31,674	12,659	44,333	9,540	13,847	67,720
Miscellaneous expenses	14,240	5,814	20,054	1,327	674	22,055
Occupancy	17,952	7,174	25,126	5,080	7,900	38,106
Office expenses	7,250	2,961	10,211	25,064	544	35,819
Printing and postage	-	-	-	10,657	12,144	22,801
Professional and legal fees	24,432	9,924	34,356	79,062	5,994	119,412
Telephone	4,680	1,870	6,550	1,267	2,060	9,877
Travel and meetings	7,010	2,827	9,837	7,038	1,853	18,728
Total expense by function	$ 1,550,873	$ 624,359	$ 2,175,232	$ 383,241	$ 388,241	$ 2,946,714

See auditor's report and accompanying notes to financial statements

FOOD OUTREACH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	HIV/AIDS	Diabetes	Cancer	Total Program	Administrative	Fundraising	Total
Salaries	$ 452,268	$ 30,836	$ 185,018	$ 668,122	$ 143,903	$ 215,855	$ 1,027,880
Employee benefits	92,201	6,286	37,718	136,205	29,336	44,004	209,545
Payroll taxes and other expenses	36,041	2,457	14,744	53,242	11,468	17,201	81,911
	580,510	39,579	237,480	857,569	184,707	277,060	1,319,336
Automobile and truck	9,744	738	4,282	14,764	-	-	14,764
Bank and credit card fees	-	-	-	-	11,641	-	11,641
Community outreach and other developments	-	-	-	-	491	-	491
Computer software expense	33,507	5,405	7,026	45,938	8,107	-	54,045
Depreciation	74,537	12,022	15,629	102,188	18,033	-	120,221
Dues and subscriptions	-	-	-	-	19,074	-	19,074
Food, nutritional supplements and consumables	672,060	50,914	295,299	1,018,273	-	-	1,018,273
In-kind:							
Food, nutritional supplements and consumables	19,144	1,450	8,412	29,006	-	-	29,006
Insurance	36,111	5,824	7,572	49,507	8,737	-	58,244
Maintenance - building	27,410	4,421	5,747	37,578	6,632	-	44,210
Miscellaneous expenses	17,737	-	-	17,737	-	-	17,737
Occupancy	24,229	3,908	5,080	33,217	5,862	-	39,079
Office expenses	24,969	4,027	5,235	34,231	6,041	-	40,272
Printing and postage	-	-	-	-	24,127	24,127	48,254
Professional and legal fees	62,604	-	-	62,604	50,084	12,521	125,209
Telephone	5,589	902	1,172	7,663	1,352	-	9,015
Travel and meetings	-	-	-	-	8,788	-	8,788
Total expense by function	$ 1,588,151	$ 129,190	$ 592,934	$ 2,310,275	$ 353,676	$ 313,708	$ 2,977,659

See auditor's report and accompanying notes to financial statements

NOTE 1 – Summary of Significant Accounting Policies

Nature of Activities

Food Outreach, Inc. (the Organization) was incorporated in the state of Missouri in 1998 as a not-for-profit. The primary activity of the Organization is to provide nutritional counseling, proper nutrition, food and nutritional supplements for men, women, and children with HIV/AIDS or cancer in the St. Louis region living at or below 300% of the Federal Poverty Level. The Organization depends on a network of hundreds of volunteers to prepare and deliver scratch-prepared meals and groceries to its thousands of clients.

Basis of Accounting

The Organization maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

> Net Assets without Donor Restrictions: Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
>
> Net Assets with Donor Restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations or donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 at each financial institution. The Organization maintains cash balances at various domestic financial institutions which at times may exceed the federally insured limits. The Organization has not experienced any losses in any accounts and believes it is not exposed to any significant credit risk on cash.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Interest and dividends and both realized and unrealized gains and losses on investments are recorded in investment earnings, net of investment fees in the statements of activities.

Marketable securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments 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 statements of financial position.

Operating Lease Right of Use Asset

The Organization has recorded operating lease right of use asset as a result of implementing ASU 2016-02, Leases (Topic 842). The right to use assets are initially measured at an amount of the related lease liability. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Revenue Recognition

Contributions and Promises to Give

Contributions received are recorded as revenue with or without donor restrictions depending on the existence and/or nature of any restrictions. When restrictions expire (that is, when a 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 statement of activity and realized as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition (continued)

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Special Events Revenue

Support received from special events is recognized as contributions except for the portion of support that has a reciprocal benefit to the attendee, which is recognized as revenue at the point in time the performance obligations are satisfied, at the time of the event. Payments received, related to the reciprocal benefit, are recorded as deferred until the time of the related event. At December 31, 2025 and 2024, there was no balance of deferred revenue related to special events revenue.

Grants Receivable

Governmental grants are generally recorded on a cost reimbursement basis. Grants receivable is stated at cost, due to its short-term nature. Management provides for probable uncollectible amounts through a charge against earnings and a corresponding increase in a valuation allowance based on its assessment of the current status of individual accounts. Balances remaining outstanding after management has used reasonable collection efforts are written off through a reduction in the valuation allowance and the receivable.

Inventory

Inventories consisting of food, food supplements and consumable supplies are valued at the lower of cost or market on the first-in, first-out (FIFO) method and net realizable value.

Property and Equipment

Furniture and equipment are recorded at cost, if purchased, or fair value at the time of donation, if donated. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. Major additions and betterments in excess of $2,500 that extend the useful lives of property and equipment are capitalized. General maintenance and repairs are charged to expense as incurred.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

Long lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and the carrying value of the asset. For the years ended December 31, 2025 and 2024, management determined that no impairment loss needs to be recognized.

Donated Assets and Materials

Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation. It is the Organization's policy to sell any marketable securities immediately.

Donated Services

The Organization records donated services and goods in accordance with FASB ASC 958-605-25, Revenue Recognition. As such, donated services are recognized when the service either creates or enhances a non-financial asset or requires specialized skill that would be purchased if the service was not donated. Additionally, the Organization tracks donated volunteer time received that neither enhances a non-financial asset or requires a specialized skill. Because these donations do not meet the criteria under FASB ASC 958-605, they are not recorded for financial statement purposes.

Income Tax Status

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Service Code. As such, the Organization can only be taxed on income from any activities unrelated to its charitable purpose. There was no unrelated business income for 2025 or 2024; therefore, the statements do not include any provision for income taxes.

The Organization has adopted the standards for accounting for uncertainty in income taxes and management is not aware of any uncertain tax provisions of the Organization related to the tax filings.

The Organization continually evaluates the effects of all tax positions taken including expiring statutes of limitations, tax examinations, unrelated business income and new authoritative rulings. The Organization files federal informational returns (Form 990). The statutes of limitations for informational returns filed for the years ended December 31, 2022 through 2025 have not expired and therefore are subject to examination.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

New Accounting Standards Implemented

In June 2016, the US Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments. This ASU created a new model for recognizing losses on financial instruments*, the Current Expected Credit Loss (CECL) model. The CECL model aims to provide more timely recognition of credit losses. It requires entities to recognize credit losses on receivables based on expected future losses, as opposed to the incurred loss model where losses are booked when probable. This shift in approach aims to provide a more forward-looking and timely approach to recognizing credit loss to the users of financial statements. The Organization adopted this standard which did not have a material impact on the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Shared costs are distributed proportionally and equitably to applicable funding sources based upon management's evaluation of the expense incurred.

The expenses that are allocated include the following:

Expenses	Method of Allocation
Salaries and payroll taxes	Estimated time and effort
Employee benefits	Estimated time and effort
Professional fees	FTE/Square footage
Supplies	FTE/Square Footage
Equipment expenses, technology, and phone	FTE/Square Footage
Occupancy	Square Footage
All other operating expenses	FTE/Square Footage

NOTE 2 – Concentration of Credit Risk

The Organization generates receivables and revenues from governmental agencies in the normal course of business. The Organization does not require collateral to secure these receivables and is under the belief they are fully collectible.

NOTE 3 – Concentration of Revenue

The Organization received approximately 33% and 45% of its operating budget in 2025 and 2024, respectively, from government funded grants: Ryan White Title I Food Program, Older Americans Act, Title II, Part C, Community Development Block Grant, and St. Louis Area Agency on Aging. Any significant decrease in these revenues could have an adverse effect on program services and finances.

NOTE 4 – Grants Receivable

Grants receivable at December 31, 2025 and 2024 consisted of the following:

	2025	2024
Ryan White Food Program	$ 367,635	$ 129,945
Washington University-NIH	11,244	2,117
St. Louis Area Agency on Aging	33,045	22,154
Other-non-governmental	2,988	818
	$ 414,912	$ 155,034
Amounts due in:		
Less than one year	$ 414,912	$ 155,034

No allowance for uncollectible grants has been established as management believes that all grants receivable will be collected.

NOTE 5 – Investments and Fair Value Measurements

Investments are stated at fair value and at December 31, 2025 and 2024, consist of the following:

	2025		2024	
Fixed income accounts	$ 313,002	9%	$ 414,571	13%
Corporate/government bonds and notes	578,639	16%	748,045	20%
Mutual funds	2,615,652	75%	2,254,649	67%
	$ 3,507,293	100%	$ 3,417,265	100%

NOTE 5 – Investments and Fair Value Measurements (continued)

Financial accounting standards established 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 of hierarchy are described as follows:

- **Level 1:** Valuations based on unadjusted quoted prices available for identical assets in active markets that the Organization has the ability to access.

- **Level 2:** Valuations based on quoted prices in markets which are not active, or for which all significant inputs are observable, either directly or indirectly, or derived principally from or corroborated by observable market data by correlation or other means.

- **Level 3:** Inputs to the valuation methodology are significantly, unobservable inputs.

The asset or liability's fair valuation 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.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Fixed income funds: Valued at the most recent bid price of the quoted yield for such securities (or those comparable maturity, quality, and type).

Corporate stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the net assets value (NAV) of shares held at year end.

Corporate bonds/government bond and notes: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities or issuers with similar credit ratings.

NOTE 5 – Investments and Fair Value Measurements (continued)

Management determines the fair value measurement valuation policies and procedures, which are subject to Board assessment and approval. At least annually, management determines if the current valuation techniques used are fair value measurements and are still appropriate.

The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no transfers between levels for the years ended December 31, 2025 and 2024.

Fair value of assets measured on a recurring basis at December 31, 2025 and 2024 are as follows:

		Fair Value Measurements Using		
December 31, 2025	**Fair Value**	**(Level 1)**	**(Level 2)**	**(Level 3)**
Fixed income accounts	**$ 313,002**	**$ 313,002**		
Corporate/government bonds and notes	**578,639**	**578,639**	-	-
Mutual funds	**2,615,652**	**2,615,652**	-	-
Total	**$ 3,507,293**	**$ 3,507,293**	**$ -**	**$ -**

		Fair Value Measurements Using		
December 31, 2024	Fair Value	(Level 1)	(Level 2)	(Level 3)
Fixed income accounts	$ 414,571	$ 414,571		
Corporate/government bonds and notes	748,045	748,045	-	-
Mutual funds	2,254,649	2,254,649	-	-
Total	$ 3,417,265	$ 3,417,265	$ -	$ -

NOTE 6 – Property and Equipment

Fixed assets consist of the following as of December 31:

	2025	2024
Depreciable fixed assets:		
Land	$ **231,573**	$ 231,573
Building	**1,220,242**	1,220,242
Office furniture and equipment	**585,575**	630,457
Software	**1,585**	1,585
Vehicles	**276,921**	230,677
	2,315,896	2,314,534
Accumulated depreciation	**(1,563,352)**	(1,482,625)
	$ **752,544**	$ 831,909

Depreciation charged against revenues amounted to $135,646 and $120,221 during the years ended December 31, 2025 and 2024, respectively.

NOTE 7 – Retirement Plan

The Organization has established a SEP/IRA plan for the benefit of the employees. The Organization's contribution is based on a percentage of eligible participants salaries and is determined annually by the Board of Directors. Plan expense was $47,016 and $44,317 for the years ended December 31, 2025 and 2024, respectively. Eligible employees may also participate in a 403(b)-plan established by the Organization.

NOTE 8 – Lease Commitments

The Organization entered into a lease for office equipment under an agreement that is classified as an operating lease. The equipment under the operating lease is included in the statement of financial position with payments for 60 months.

NOTE 8 – Lease Commitments (continued)

The components of lease expense were as follows:

	For the Year Ending December 31, **2025**	2024
Operating lease cost	**$ 5,098**	$ 4,128
Total operating cost	**$ 5,098**	$ 4,128

Supplemental statement of financial position related to leases are as follows:

	For the Year Ending December 31, **2025**	2024
Operating lease:		
Operating leases right-of-use asset	**$ 25,740**	$ 4,118
Other current liabilities	**$ 4,958**	$ 4,118
Operating leases liabilities	**20,782**	-
Total operating lease liabilities	**$ 25,740**	$ 4,118
Weighted Average Remaining Lease Term		
Operating lease	**5 years**	1 year
Weighted Average Discount Rate		
Operating lease	**3.67%**	4.50%

Maturities of lease liabilities are as follows:

Year Ending December 31,	Operating Lease
2026	$ 5,820
2027	5,820
2028	5,820
2029	5,820
2030	4,850
Total lease payments	28,130
Less imputed interest	(2,390)
Total	$ 25,740

NOTE 9 – Net Assets

Net assets consist of:

	December 31, 2025	December 31, 2024
Net Assets Without Donor Restrictions:		
Undesignated	$ **3,870,191**	$ 3,403,138
Investment in property and equipment	**752,544**	831,909
Designated – reserves	**2,050,000**	1,300,000
Total net assets without donor restrictions	**6,672,735**	5,535,047
Net Assets With Donor Restrictions:		
Program and support	**30,013**	9,463
Total Net Assets	$ **6,702,748**	$ 5,544,510

NOTE 10 – Contributed Goods

The values of noncash donations included in contributions in the financial statements and the corresponding expenses are as follows:

	For the year ending December 31, 2025	For the year ending December 31, 2024
Contributed goods – in-kind	$ **44,294**	$ 29,006
Donated food items	**44,294**	29,006
Total	$ **44,294**	$ 29,006

NOTE 11 – Donated Services, Materials, and Facilities

Significant other contributions of goods and services have been made to the Organization by unpaid volunteers to assist in the ongoing activities and programs. The values of these contributions are not reflected in these financial statements due to it not being susceptible to objective measurement of valuation.

NOTE 12 – Liquidity and Availability of Financial Assets

The Organization intends to implement a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's primary sources of support are contributions and grants. Most of the support is required to be used in accordance with the purpose restrictions imposed by the donor or funding agency.

NOTE 12 – Liquidity and Availability of Financial Assets (continued)

As of December 31, 2025 and 2024, financial assets available for general expenditures within one year consist of the following:

	2025	2024
Cash and cash equivalents	**$ 2,022,468**	$ 1,157,452
Grant and promises to give	**414,912**	155,034
Investments	**3,507,293**	3,417,265
Total financial assets	**5,944,673**	4,729,751
Less:		
Board designated operating reserve and reserve for building and equipment	**(2,050,000)**	(1,300,000)
Donor restricted due to purpose	**(30,013)**	(9,463)
Financial assets available to meet cash needs for general expenditures within one year	**$ 3,864,660**	$ 3,420,288

NOTE 13 – Commitments and Contingencies

Financial awards from governmental entities in the form of grants are subject to special oversights and audits. The results of such audits could result in the claims against the Organization for disallowed cost. No claims exist against the Organization at December 31, 2025 and 2024; therefore, no provisions have been made for any liabilities that may result from such audits.

NOTE 14 – Subsequent Events

Subsequent to the year end, a civil lawsuit was filed by a former employee alleging wrongful termination. Due to the early stages of this litigation, the Organization is unable to determine, potential liability relating to this matter, if any, but are under the belief any liability that may arise from this matter will be covered by insurance.

The Organization's management has evaluated subsequent events through July 2, 2026, the date the financial statements were available for distribution. Management's evaluation did not disclose any other items that would require reporting or disclosure in these financial statements.

COMPLIANCE REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Food Outreach, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Food Outreach, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 2, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Food Outreach Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Food Outreach, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Food Outreach, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Food Outreach, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ravelle & associates, LLC, CPAs

Florissant, Missouri
July 2, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Food Outreach, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Food Outreach, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Food Outreach, Inc.'s major federal programs for the year ended December 31, 2025. Food Outreach, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Food Outreach, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Food Outreach, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Food Outreach, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Food Outreach, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Food Outreach, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Food Outreach, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

- Identify and assess the risks of material noncompliance, 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 Food Outreach, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Food Outreach, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Food Outreach, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Randle & associates, LLC, CPAs
Florissant, Missouri
July 2, 2026

FOOD OUTREACH, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor / Pass-Through Grantor / Program Title	Federal ALN Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed through to Sub recipients	Type	Major Program
Department of Health and Human Services/ Pass-through City of St. Louis Department of Health / HIV Emergency Relief Program Ryan White - MO	93.914	43-1492878	$ 598,581	$ -		
Pass-through St. Clair County Health Department / HIV Emergency Relief Program Ryan White – IL	93.914	43-1492878	69,057	-		
Total HIV Emergency Relief Program			667,638	-	B	
Department of Health and Human Services/ Pass-through City of St. Louis Department of Health / HIV Formula Grants Ryan White - MO	93.917		144,252		B	
Department of Health and Human Services/ Pass-through Washington University/ Cancer Cause and Prevention Research	93.393	WU-26-0362	10,244	-	B	
Department of Health and Human Services/ Pass-through Washington University/ Cancer Cause and Prevention Research	93.847	WU-25-0459	18,585		B	
Department of Health and Human Services/ Pass-through City of St. Louis Area Agency on Aging/ Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	810905	284,297	-	B	x
Total Department of Health and Human Services			1,125,016	-		
Department of Housing and Urban Development/ Pass-through City of St. Louis/ Community Development Block Grant	14.218	24-12-81	160,174	-	B	
Total Department of Housing and Urban Development			160,174	-		
Total Expenditures of Federal Awards			$ 1,285,190	$ -		

FOOD OUTREACH, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. Basis of Presentation

The accompanying schedule of federal awards (the "Schedule") includes the federal grant activity of Food Outreach, Inc. under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Food Outreach, has elected to use the 15% *de minimis* indirect cost rate allocation.

FOOD OUTREACH, INC.
Schedule of Findings and Questioned Cost
December 31, 2025

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Types of auditor's report issued. Unmodified

2. Internal control over financial reporting:
    a. Material weakness identified? NO
    b. Significant deficiency identified? NO

3. Noncompliance material to the financial statements noted? NO

Federal Awards:

4. Internal control over major programs:
    a. Material weakness identified? NO
    b. Significant deficiency identified? NO

5. Type of auditor's report issued on compliance for major programs. Unmodified

6. Audit findings disclosed that are required to be reported in accordance with Uniform Guidance? NO

7. For the year ended December 31, 2025, Food Outreach, Inc. had the following major program:

ALN Number	Name of Federal Program or Cluster
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services

8. The dollar threshold used to distinguish between Type A and B programs: $1,000,000.

9. Food Outreach, Inc. qualified as a low-risk auditee? YES

PART II: FINANCIAL STATEMENTS FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENT AUDITING STANDARDS

NONE

PART III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

FOOD OUTREACH, INC.
Status of Prior Years Findings
December 31, 2025

No prior year findings