Partnership for a Healthier America, Inc.

Financial Statements
and Independent Auditor's Report

June 30, 2026 and 2025

Partnership for a Healthier America, Inc.

Financial Statements
June 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Partnership for a Healthier America, Inc.

Opinion

We have audited the accompanying financial statements of Partnership for a Healthier America, Inc. (PHA), which comprise the statements of financial position as of June 30, 2026 and 2025; the related statements of activities, functional expenses, 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 PHA as of June 30, 2026 and 2025, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PHA 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 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.

Responsibilities of Management for the Financial Statements (continued)

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 PHA'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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- Identify and assess the risks of material misstatement of the 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 PHA'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 PHA's ability to continue as a going concern for a reasonable period of time.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Rogers + Company PLLC

McLean, Virginia
October 29, 2026

Partnership for a Healthier America, Inc.

Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
Assets		
Cash and cash equivalents	$ 1,828,078	$ 2,410,888
Investments	2,968,500	2,961,440
Accounts receivable	-	1,158
Federal grants receivable	19,608	125,000
In-kind receivable	157,500	476,805
Grants and contributions receivable, net	2,171,367	2,141,237
Prepaid expenses and other assets	28,934	35,783
Property and equipment, net	45,154	84,582
Total assets	$ 7,219,141	$ 8,236,893
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 339,394	$ 608,425
Total liabilities	339,394	608,425
Net Assets		
Without donor restrictions	4,070,454	4,140,144
With donor restrictions	2,809,293	3,488,324
Total net assets	6,879,747	7,628,468
Total liabilities and net assets	$ 7,219,141	$ 8,236,893

See accompanying notes.

Partnership for a Healthier America, Inc.

Statement of Activities
For the Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 424,179	$ 3,385,330	$ 3,809,509
Federal grants	82,575	-	82,575
In-kind contributions	73,545	189,000	262,545
Sponsorships	375,500	-	375,500
Investment return	186,652	-	186,652
Other income	3,470	-	3,470
Released from restrictions	4,253,361	(4,253,361)	-
Total revenue and support	5,399,282	(679,031)	4,720,251
Expenses			
Program services:			
Catalyzing action	2,431,568	-	2,431,568
Commitments	1,575,110	-	1,575,110
Convening	148,738	-	148,738
Total program services	4,155,416	-	4,155,416
Supporting services:			
General and administrative	1,118,522	-	1,118,522
Fundraising	195,034	-	195,034
Total supporting services	1,313,556	-	1,313,556
Total expenses	5,468,972	-	5,468,972
Change in Net Assets	(69,690)	(679,031)	(748,721)
Net Assets, beginning of year	4,140,144	3,488,324	7,628,468
Net Assets, end of year	$ 4,070,454	$ 2,809,293	$ 6,879,747

See accompanying notes.

Partnership for a Healthier America, Inc.

Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 795,905	$ 820,761	$ 1,616,666
Federal grants	25,000	-	25,000
In-kind contributions	103,200	540,000	643,200
Program management and evaluation fees	262,500	-	262,500
Sponsorships	236,000	-	236,000
Investment return	200,478	-	200,478
Other income	10,353	-	10,353
Released from restrictions	3,920,855	(3,920,855)	-
Total revenue and support	5,554,291	(2,560,094)	2,994,197
Expenses			
Program services:			
Catalyzing action	2,662,421	-	2,662,421
Commitments	1,141,901	-	1,141,901
Convening	119,836	-	119,836
Total program services	3,924,158	-	3,924,158
Supporting services:			
General and administrative	1,225,023	-	1,225,023
Fundraising	336,663	-	336,663
Total supporting services	1,561,686	-	1,561,686
Total expenses	5,485,844	-	5,485,844
Change in Net Assets	68,447	(2,560,094)	(2,491,647)
Net Assets, beginning of year	4,071,697	6,048,418	10,120,115
Net Assets, end of year	$ 4,140,144	$ 3,488,324	$ 7,628,468

See accompanying notes.

Partnership for a Healthier America, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2026

	Program Services				Supporting Services			
	Catalyzing Action	Commitments	Convening	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Subgrants to food banks	$ 479,407	$ 498,607	$ -	$ 978,014	$ -	$ -	$ -	$ 978,014
Salaries and benefits	834,900	856,560	24,451	1,715,911	766,500	144,263	910,763	2,626,674
Communications	319,444	24,309	4,225	347,978	496	-	496	348,474
Industry-paid evaluations	107,743	55,999	-	163,742	-	-	-	163,742
Professional fees	98,068	11,698	-	109,766	60,640	17,344	77,984	187,750
Depreciation, insurance, and other	25,081	27,261	-	52,342	73,846	8,615	82,461	134,803
Information and technology	979	4,977	-	5,956	68,292	17,168	85,460	91,416
Meetings and events	10,449	49,879	110,176	170,504	725	-	725	171,229
Occupancy	146	50	-	196	74,847	-	74,847	75,043
Travel	43,098	41,523	9,766	94,387	31,627	7,547	39,174	133,561
Payroll service and other	3,812	4,225	120	8,157	36,459	97	36,556	44,713
Office	136	22	-	158	5,090	-	5,090	5,248
In-kind contributions	508,305	-	-	508,305	-	-	-	508,305
Total Expenses	$ 2,431,568	$ 1,575,110	$ 148,738	$ 4,155,416	$ 1,118,522	$ 195,034	$ 1,313,556	$ 5,468,972

See accompanying notes.

Partnership for a Healthier America, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services				Supporting Services			
	Catalyzing Action	Commitments	Convening	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Subgrants to food banks	$ 853,249	$ 299,214	$ -	$ 1,152,463	$ -	$ -	$ -	$ 1,152,463
Salaries and benefits	1,040,672	491,467	6,347	1,538,486	850,220	294,538	1,144,758	2,683,244
Communications	215,890	25,960	887	242,737	-	-	-	242,737
Industry-paid evaluations	198,758	108,660	-	307,418	-	-	-	307,418
Professional fees	71,727	566	-	72,293	80,691	10,617	91,308	163,601
Depreciation, insurance, and other	39,568	28,024	3,000	70,592	55,512	16,624	72,136	142,728
Information and technology	10,437	955	-	11,392	90,084	300	90,384	101,776
Meetings and events	13,293	150,682	95,760	259,735	-	-	-	259,735
Occupancy	146	-	-	146	66,514	-	66,514	66,660
Travel	41,685	28,903	12,600	83,188	41,249	14,466	55,715	138,903
Payroll service and other	7,523	7,181	485	15,189	36,419	63	36,482	51,671
Office	3,078	289	757	4,124	4,334	55	4,389	8,513
In-kind contributions	166,395	-	-	166,395	-	-	-	166,395
Total Expenses	$ 2,662,421	$ 1,141,901	$ 119,836	$ 3,924,158	$ 1,225,023	$ 336,663	$ 1,561,686	$ 5,485,844

See accompanying notes.

Partnership for a Healthier America, Inc.

Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities		
Change in net assets	$ (748,721)	$ (2,491,647)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized gain on investments	(164,920)	(155,448)
Change in discount to net present value	20,670	(88,476)
Bad debt expense	37,500	-
Depreciation and amortization	43,771	82,254
Change in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	1,158	73,842
Federal grants receivable	105,392	(25,000)
In-kind receivable	319,305	(476,805)
Grants and contributions receivable	(88,300)	2,375,420
Prepaid expenses and other assets	6,849	21,820
Decrease in:		
Accounts payable and accrued expenses	(269,031)	(58,449)
Net cash used in operating activities	(736,327)	(742,489)
Cash Flows from Investing Activities		
Proceeds from sales of investments	11,200,000	11,210,000
Purchases of investments	(11,042,140)	(10,439,154)
Purchases of property and equipment	(4,343)	(34,770)
Net cash provided by investing activities	153,517	736,076
Net Decrease in Cash and Cash Equivalents	(582,810)	(6,413)
Cash and Cash Equivalents, beginning of year	2,410,888	2,417,301
Cash and Cash Equivalents, end of year	$ 1,828,078	$ 2,410,888

See accompanying notes.

1. Nature of Operations

Partnership for a Healthier America, Inc. (PHA) was incorporated on January 13, 2010 in the state of Delaware as a nonprofit corporation. PHA is devoted to transforming the food landscape in pursuit of health equity. PHA's vision is that all children, families, and adults – especially those disproportionately affected – will live healthier lives free from diet-related diseases, such as obesity, diabetes, heart disease, and other chronic conditions. PHA leverages the power of the private sector to transform the food landscape in pursuit of health equity.

PHA employs its convening power, diverse network, and thought leadership to develop and spotlight the top programs and practices with the greatest potential to create positive change in the U.S. food landscape. PHA works with organizations across the supply chain – food producers, manufacturers, distributors, and retailers – to improve the nutritional profile of foods and beverages wherever consumers are – resulting in a greater volume of healthier options for all. PHA also collaborates with other nonprofit organizations, including food banks, who understand the importance of, not just providing any food to communities in need, but providing the right food to children and families who suffer the most from health disparities caused by lack of access to healthier food options.

The following are PHA's main programs:

Catalyzing Action: PHA's programs make healthier choices easier to access and encourage Americans to make those healthier choices. PHA's programs are designed to remind everyone, especially busy parents and families, about healthy options. From social media to traditional advertising, PHA highlights the actions of its partners to provide healthy options and encourage people to choose healthy options.

Commitments: PHA negotiates commitments from industry partners to ensure they increase access to healthy options for Americans. For example, PHA asks industry partners to reformulate food or enhance physical activity programs. As part of their commitment agreements, PHA monitors the efforts of its industry partners.

Convening: Bringing together leaders from across the public, private, nonprofit, and philanthropic sectors is critical to ensuring that everyone in the United States, no matter their zip code, has access to foods that build health. PHA brings people together to challenge our current food system and shift the paradigm towards good food and healthier communities with all of PHA's events, but in particular through PHA's annual Summit. Indirect costs, such as personnel costs and occupancy, related to the planning of these events are expensed as incurred.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

PHA's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

PHA considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. U.S. Treasury bills held in PHA's brokerage account are reported as investments.

Investments

Investments are recorded at fair value based on quoted market prices or other observable inputs. Investment return, which includes interest and realized and unrealized gains and losses, is reported in the accompanying statements of activities.

Accounts Receivable

Accounts receivable are recorded at net realizable value and are all due within one year. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions.

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable (continued)

Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. However, PHA has historically had insignificant write-offs due to bad debts. No allowance for credit losses was considered necessary at June 30, 2026 and 2025.

Federal Grants Receivable

Federal grants receivable consist primarily of amounts to be reimbursed to PHA for expenses incurred under agreements with federal agencies. PHA uses the allowance method to account for amounts that are considered to be uncollectible, based on historical experience and management's current estimates of potentially uncollectible amounts. No allowance for doubtful federal grants receivable is recorded at June 30, 2026 and 2025, as management believes that all amounts are fully collectible.

In-Kind Receivable

In-kind receivable represents unconditional promises of donated Good Food at Home credits (online grocery produce credits and memberships), which are available to be redeemed by program participants in designated Good Food at Home cities. This receivable arises from committed in-kind contributions that support program delivery and participant engagement. Management has evaluated the collectability of in-kind receivable as of June 30, 2026 and 2025, and believes that all amounts are fully realizable based on the nature of the contributions, historical redemption patterns, and the reliability of the counterparties. Accordingly, no allowance has been deemed necessary.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to PHA. Grants and contributions receivable are reflected at their net realizable value. Grants and contributions receivable due in more than one year are discounted to present value based on management's estimate of the risk-adjusted rate of return.

Management believes that all grants and contributions receivable are fully collectible at June 30, 2026 and 2025, and accordingly, no allowance for doubtful grants and contributions receivable is recorded.

2. Summary of Significant Accounting Policies (continued)

Grants and Contributions Receivable (continued)

Receivable balances are reviewed on a periodic basis to assess collectability. In performing this assessment, management considers factors such as the donor's creditworthiness, the organization's relationship with the donor, and the aging of outstanding balances. Receivables determined to be uncollectible are written off directly to bad debt expense. Bad debt expense totaled $37,500 and $0 for the years ended June 30, 2026 and 2025, respectively. Management believes that the direct write-off method provides results that are substantially the same as those that would have been obtained if an allowance method had been used.

Contributed Nonfinancial Assets

Contributed nonfinancial assets (in-kind contributions) consist of donated Good Food at Home credits and contributed advertising. Contributed goods are recognized as revenue at their estimated fair value when an unconditional promise is received, and as expense when the credits are utilized in program delivery. Contributed services, such as advertising, are recognized when they create or enhance nonfinancial assets or require specialized skills, are provided by individuals or entities possessing those skills, and would typically need to be purchased if not provided by donation. Contributed nonfinancial assets are not monetized and are used in PHA's program services. Additional disclosures are included in Note 8.

Property and Equipment

Property and equipment purchased with a cost of $1,000 or more and with a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years. Leasehold improvements are stated at cost and are amortized using the straight-line method over the shorter of their estimated useful lives or the lease term. Repairs and maintenance costs are expensed as incurred.

Leases

PHA would record a right-of-use (ROU) asset and liability for any operating lease with a term greater than 12 months at the lease commencement date. The ROU asset is amortized over the shorter of the lease term or the economic life of the leased asset.

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

The associated lease liability represents the net present value of the future amounts due under the lease, calculated using a risk-free rate of return selected based on the term of the lease. For real estate leases, nonlease components are separated from the lease components for accounting purposes. PHA does not apply the recognition requirements under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases,* to short-term leases and membership agreements. PHA had no leases with terms greater than 12 months at June 30, 2026 and 2025.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, which contain both a barrier and a right of return or right of release from obligation, are not recognized until the conditions on which they depend have been substantially met. PHA reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of PHA's programs or to a future year. When a donor restriction expires, 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 statements of activities as net assets released from restrictions.

Federal grants and contracts are conditioned upon certain performance requirements and incurrence of allowable qualifying expenses. Amounts received are recognized as revenue upon incurring the expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the accompanying statements of financial position. No amounts have been received in advance under federal grants at June 30, 2026 and 2025.

Sponsorships that are nonreciprocal are recognized as contributions. Typically, sponsorship agreements contain a right of return or right of release from obligation, should the sponsored event not take place. As such, PHA recognizes revenue for these conditional contributions when the related event is conducted.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

Sponsorship agreements under which the sponsor receives benefits commensurate with the sponsorship fee, such as the license of PHA's marks and campaign assets and promotional benefits, are accounted for as exchange transactions, and revenue is recognized as the benefits are provided over the sponsorship period. Amounts billed or received in advance are reported as deferred revenue.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when PHA satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration PHA expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, PHA combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Specifically, for the various types of contracts, PHA recognizes revenue as follows:

Program management and evaluation fees are associated with agreements made by PHA with various industry partners aimed at promoting healthy choices, such as reducing calorie intake in restaurant meals or endorsing healthy products. As part of these agreements, PHA engages in monitoring activities periodically to ensure partners are fulfilling their commitments. Partners pay annual fees and/or evaluation fees to receive feedback from PHA regarding the success of their efforts. Revenue recognition occurs after performance obligations have been met, with revenue recognized at the time of invoicing the partners. These agreements typically have a one-year term, renewable annually, aligned with PHA's fiscal year end, and can be terminated by either party with due notice as stipulated in the agreement terms. Fees paid by partners are nonrefundable, as they receive access to content and logo usage rights for one year.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers (continued)

PHA considers all deliverables as a bundled set of performance obligations earned upon execution of the agreement. PHA did not earn program management and evaluation fees during the year ended June 30, 2026, as these legacy arrangements concluded and are being replaced by the Good Food Coalition. There were no contract assets, contract liabilities, or deferred revenue at June 30, 2026 and 2025.

Grants and Program Implementation Expenses

PHA awards grants to food banks, community organizations, small-scale farmers, and other program partners, including grants under its GROW program in the Mississippi Delta. Unconditional grants are recognized as expense when approved and communicated to the grantee. Conditional grants are recognized as expense when the conditions on which they depend are substantially met. Program implementation costs, such as direct services and partner implementation costs, are expensed as incurred. There were no grants payable at June 30, 2026 and 2025.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications

Certain amounts in the 2025 financial statements have been reclassified to conform to the 2026 presentation. These reclassifications have no effect on the change in net assets previously reported.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

Advertising Costs

PHA expenses advertising costs as incurred. Advertising expenses were $78,545 and $103,261 for the years ended June 30, 2026 and 2025, respectively.

Subsequent Events

In preparing these financial statements, PHA has evaluated events and transactions for potential recognition or disclosure through October 29, 2026, the date the financial statements were available to be issued.

3. Liquidity and Availability

PHA operates under an investment policy that describes the investment philosophies and investment management procedures that should be utilized for managing the financial assets of PHA to ensure liquidity where appropriate to meet necessary cash flow requirements as well as its long-term goals. PHA structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of this liquidity management, PHA invests cash in excess of daily requirements in various cash equivalents.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30:

	2026	2025
Cash and cash equivalents	$ 1,828,078	$ 2,410,888
Investments	2,968,500	2,961,440
Accounts receivable	-	1,158
Federal grants receivable	19,608	125,000
Grants and contributions receivable, net	2,171,367	2,141,237
Less: restricted by donors with purpose or time restrictions	(2,809,293)	(3,488,324)
Total available for general expenditures	$ 4,178,260	$ 4,151,399

4. Concentrations of Risks

Credit Risk

Financial instruments that potentially subject PHA to significant concentrations of credit risk consist of cash and cash equivalents, investments, and grants and contributions receivable. PHA maintains cash deposit and transaction accounts, along with investments, with financial institutions and these values, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation. The uninsured portions of these accounts are backed solely by the asset of the underlying financial institution. Therefore, the failure of an underlying institution could result in financial loss of PHA. At June 30, 2026 and 2025, PHA's balances exceed federally insured limits by approximately $4,290,000 and $4,850,000, respectively. PHA's investments in U.S. Treasury bills and notes are backed by the full faith and credit of the U.S. government.

Revenue Risk

For the years ended June 30, 2026 and 2025, a substantial portion of PHA's revenue was generated from a small number of donors. Two donors and one donor accounted for 64% and 40% of PHA's total revenue and support for the years ended June 30, 2026 and 2025, respectively.

5. Investments and Fair Value Measurements

PHA follows FASB ASC Topic 820, *Fair Value Measurement,* for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period. In general, and where applicable, PHA uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

5. Investments and Fair Value Measurements (continued)

PHA invests in U.S. Treasury bills and notes, which are valued based on quoted prices for instruments that are identical or similar in markets that are not active and for which all significant inputs are observable, either directly or indirectly, in active markets. As such, these assets are classified as Level 2.

The following table presents PHA's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2026:

	Level 1	Level 2	Level 3	Total
U.S. Treasury bills and notes	$ -	$ 2,968,500	$ -	$ 2,968,500
Total investments	$ -	$ 2,968,500	$ -	$ 2,968,500

The following table presents PHA's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2025:

	Level 1	Level 2	Level 3	Total
U.S. Treasury bills and notes	$ -	$ 2,961,440	$ -	$ 2,961,440
Total investments	$ -	$ 2,961,440	$ -	$ 2,961,440

Investment return consists of the following for the years ended June 30:

	2026	2025
Interest and dividends	$ 21,732	$ 45,030
Unrealized gains	164,920	155,448
Total investment return	$ 186,652	$ 200,478

There were no investment fees incurred for the years ended June 30, 2026 and 2025, as the investment portfolio is self-directed by PHA.

6. Grants and Contributions Receivable

Grants and contributions receivable represent amounts due from individual and corporate donors, as well as foundations, and are due as follows at June 30:

	2026	2025
Receivable in less than one year	$ 1,438,970	$ 1,950,670
Receivable in one to five years	800,000	200,000
Total grants and contributions receivable	2,238,970	2,150,670
Less: allowance for doubtful debt	(37,500)	-
Less: present value discount	(30,103)	(9,433)
Grants and contributions receivable, net	$ 2,171,367	$ 2,141,237

Grants and contributions receivable due in more than one year were discounted at rates of 3.98% and 4.95% at June 30, 2026 and 2025, respectively.

7. Property and Equipment

Property and equipment consisted of the following at June 30:

	2026	2025
Website, software, and software development	$ 760,007	$ 760,007
Computer equipment	46,188	41,845
Total property and equipment	806,195	801,852
Less: accumulated depreciation and amortization	(761,041)	(717,270)
Property and equipment, net	$ 45,154	$ 84,582

8. Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the accompanying statements of activities as in-kind contributions include the following for the years ended June 30:

	2026	2025
Good Food at Home credits	$ 189,000	$ 540,000
Advertising	73,545	103,200
Total contributed nonfinancial assets	$ 262,545	$ 643,200

Contributed Good Food at Home credits are recorded at estimated fair value based on principal market prices of identical or comparable products. These credits are utilized in the delivery of program services. Contributed Good Food at Home credits were restricted by the donor for use in the Good Food at Home program. Credits utilized in program delivery totaled $508,305 and $63,195 for the years ended June 30, 2026 and 2025, respectively, and unredeemed credits of $157,500 and $476,805 are reported as in-kind receivable at June 30, 2026 and 2025, respectively. Contributed advertising is valued using estimated principal market prices of identical or similar services. Contributed advertising is used for program services and was not restricted by donors.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30:

	2026	2025
Purpose restricted:		
Good Food at Home	$ 157,500	$ 564,637
Good Food for Cities	694,342	2,423,687
Healthy Hunger Relief Program	-	100,000
From Soil to Soul: Whole Health in the Heart of the Mississippi Delta	1,722,451	-
SOIL: A Traveling Exhibit Celebrating Mississippi's Food and Cultural Legacy	20,000	-
JEDI Learning Project	15,000	-
Time restricted:		
General operating grants	200,000	400,000
Total net assets with donor restrictions	$ 2,809,293	$ 3,488,324

9. Net Assets With Donor Restrictions (continued)

Net assets released from donor restrictions consisted of the following for the years ended June 30:

	2026	2025
Purpose restricted:		
Good Food at Home	$ 596,138	$ 778,658
Good Food for Cities	2,654,674	2,745,197
Healthy Hunger Relief Program	100,000	-
From Soil to Soul: Whole Health in the Heart of Mississippi Delta	677,549	-
SNAP Crisis Rapid Response	25,000	-
Coahoma Mobile Markets	-	72,000
Time restricted:		
General operating grants	200,000	325,000
Total net assets released from donor restrictions	$ 4,253,361	$ 3,920,855

10. Commitments and Contingencies

Membership Agreement

PHA has a membership agreement for office space at 200 Massachusetts Avenue NW in Washington, DC, which originally commenced on March 1, 2024, and a related WeWork All Access membership agreement, which originally commenced on April 1, 2024.

On November 20, 2024, the office agreement was renewed effective March 1, 2025, for an 18-month term expiring August 31, 2026. The renewal provided for one month of rent abatement, followed by monthly payments of $4,347 for the remaining 17 months beginning April 1, 2025. The agreement also provides for add-on services of $800 per month for the remaining 17 months beginning April 1, 2025.

10. Commitments and Contingencies (continued)

Membership Agreement (continued)

On June 8, 2026, the office agreement was renewed effective September 1, 2026, for a 12-month term expiring August 31, 2027, with monthly payments of $4,000. On July 8, 2026, the All Access membership agreement was renewed for the same 12-month term with monthly payments of $1,153.

PHA does not apply the recognition requirements of FASB ASC Topic 842, *Leases*, to short-term leases and membership agreements. Rent expense totaled $68,205 and $59,435 for the years ended June 30, 2026 and 2025, respectively. Future minimum payments under the membership agreements in effect at June 30, 2026 including the renewal executed on June 8, 2026, totaling $50,294 and $8,000 for the years ending June 30, 2027 and 2028, respectively.

Federal Grants

Funds received from federal and other government agencies are subject to an audit under the provisions of the grant agreements. The ultimate determination of amounts received under these grants is based upon the allowance of costs reported to and accepted by the oversight agencies. Until such grants are completed, a potential contingency exists to refund any amounts received in excess of allowable costs. Management is of the opinion that no material liability exists.

Employment Agreement

PHA has an employment agreement with the President and CEO which contains terms that require payments upon the occurrence of certain contractual events.

11. Retirement Plan

PHA sponsors a defined contribution 401(k) safe harbor savings plan (the Plan), which is available to all employees meeting certain eligibility requirements as defined by the plan document. Under the Plan's enhanced safe harbor matching formula, PHA makes contributions to the Plan equal to 100% of employee elective deferral contributions up to a limit of 4% of participant compensation. PHA's contributions totaled $86,263 and $88,224 for the years ended June 30, 2026 and 2025, respectively.

12. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries and benefits, professional fees, communications, occupancy, travel, office expense, information and technology, and depreciation, insurance, and other, which are allocated on the basis of estimates of time and effort.

13. Income Taxes

PHA is exempt from payment of taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) on income other than net unrelated business income. PHA has been classified by the Internal Revenue Service as other than a private foundation within the meaning of IRC Section 509(a)(1) and 170(b)(1)(A)(vi). Contributions to PHA are deductible as provided in IRC Section 170. For the years ended June 30, 2026 and 2025, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Management has evaluated PHA's tax positions and concluded that the financial statements do not include any uncertain tax positions.