Nourish Up

Financial Statements

Year Ended September 30, 2025

FOARD

EST. 1964

NOURISH UP
Table of Contents
September 30, 2025

FOARD
EST. 1964

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nourish Up
Charlotte, North Carolina

Opinion
We have audited the accompanying financial statements of Nourish Up (the "Organization" - a nonprofit organization), which comprises the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nourish Up as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 contained 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 Nourish Up 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nourish Up's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and Government 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.

Nourish Up
Charlotte, North Carolina

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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of Nourish Up's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nourish Up'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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated 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 March 16, 2026, on our consideration of Nourish Up’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 the Organization’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 the Organization’s internal control over financial reporting and compliance.

Nourish Up
Charlotte, North Carolina

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 5, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foard & Company, P.A.

March 16, 2026

NOURISH UP

Consolidated Statement of Financial Position

September 30, 2025, With Prior Year Comparative Totals

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 3,168,957	$ 3,771,177
Unconditional promises to give, net	409,458	98,949
Food on hand	439,580	265,049
Prepaid expenses and other current assets	265,201	538,001
Total Current Assets	4,283,196	4,673,176
Property, net	25,414,662	19,575,985
Other Assets:		
Restricted cash and cash equivalents	6,522,243	-
Unconditional promises to give, net	300,000	-
Unconditional promises to give - Capital Campaign, net	7,447,343	10,298,012
Investments	13,684,086	15,871,010
Note receivable	18,433,500	-
Intangible assets, net	54,854	67,843
Total Other Assets	46,442,026	26,236,865
TOTAL ASSETS	***$ 76,139,884***	***$ 50,486,026***
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and other current liabilities	$ 195,379	$ 182,259
Construction payable	1,413,989	-
Notes payable, current	-	262,834
Total Current Liabilities	1,609,368	445,093
Non-Current Liabilities:		
Notes payable	24,566,153	5,865,589
Total Non-Current Liabilities	24,566,153	5,865,589
Net Assets:		
Without Donor Restrictions:		
Undesignated, available for general use	31,288,036	26,503,318
Designated for operating expenses	3,772,649	950,300
Designated for endowment	2,929,713	2,790,743
Total Without Donor Restrictions	37,990,398	30,244,361
With Donor Restrictions	11,973,965	13,930,983
Total Net Assets	49,964,363	44,175,344
TOTAL LIABILITIES AND NET ASSETS	***$ 76,139,884***	***$ 50,486,026***

NOURISH UP

Consolidated Statement of Activities

Year Ended September 30, 2025, With Prior Year Comparative Totals

	Year Ended September 30, 2025			Prior Year
	Without Donor Restrictions	With Donor Restrictions	Totals	Comparative Totals
SUPPORT AND REVENUE				
Contributed food	$ 4,357,677	$ -	$ 4,357,677	$ 4,636,337
Contributions and grants	4,557,011	3,461,621	8,018,632	14,363,352
Special event revenue, net direct benefits to donors of $142,584	354,730	-	354,730	182,911
Meal revenue	287,323	-	287,323	318,983
Contributed goods (non-food)	238,472	-	238,472	202,398
Contributed services	10,750	-	10,750	114,746
Investment income, net	1,206,396	106,324	1,312,720	1,757,807
Rental income	8,186	-	8,186	3,061
Loss on disposal of property	(7,093)	-	(7,093)	(7,682)
Other income, net	156,746	-	156,746	6,340
Net assets released from restrictions	5,524,963	(5,524,963)	-	-
TOTAL SUPPORT AND REVENUE	***16,695,161***	***(1,957,018)***	***14,738,143***	***21,578,253***
EXPENSES				
Program services	9,242,736	-	9,242,736	9,836,264
Management and general	783,348	-	783,348	693,335
Fundraising	1,183,489	-	1,183,489	1,241,253
TOTAL EXPENSES	***11,209,573***	***-***	***11,209,573***	***11,770,852***
OTHER CHANGES IN NET ASSETS				
New Market Tax Credit Adjustment	2,260,449	-	2,260,449	-
TOTAL OTHER CHANGES	***2,260,449***	***-***	***2,260,449***	***-***
CHANGE IN NET ASSETS	***7,746,037***	***(1,957,018)***	***5,789,019***	***9,807,401***
NET ASSETS, BEGINNING	***30,244,361***	***13,930,983***	***44,175,344***	***34,367,943***
NET ASSETS, ENDING	***$ 37,990,398***	***$ 11,973,965***	***$ 49,964,363***	***$ 44,175,344***

NOURISH UP

Consolidated Statement of Functional Expenses

Year Ended September 30, 2025, With Prior Year Comparative Totals

	Year Ended September 30, 2025				Prior Year
	Program Services	Management and General	Fundraising	Totals	Comparative Totals
Contributed food	$ 5,884,455	$ -	$ -	$ 5,884,455	$ 6,093,977
Program expenses and aid to pantries	747,777	-	-	747,777	748,506
Salaries	1,397,679	360,165	605,660	2,363,504	2,258,403
Payroll taxes	113,035	29,027	48,982	191,044	178,631
Employee benefits	241,152	61,928	104,499	407,579	364,865
Occupancy	110,894	1,815	947	113,656	291,930
Interest	74,329	3,676	1,918	79,923	171,695
Depreciation and amortization	184,288	3,582	1,791	189,661	575,553
Fundraising and events	-	-	354,248	354,248	169,172
Professional services	-	80,838	92,585	173,423	258,352
Public relations	-	-	59,811	59,811	99,995
Bank fees	-	49,916	-	49,916	38,973
Computer	9,101	80,904	-	90,005	66,842
Insurance	35,042	30,216	5,266	70,524	71,527
Office supplies	102,457	19,855	1,245	123,557	108,528
Repairs and maintenance	111,242	-	-	111,242	48,554
Telephone	749	34,125	-	34,874	32,522
Travel	38,653	1,832	2,001	42,486	37,629
Vehicle expense	57,116	-	-	57,116	98,871
Bad debt	31,531	-	-	31,531	98,872
Postage and printing	-	11,871	3,145	15,016	17,358
Other	103,236	13,598	43,975	160,809	84,571
TOTAL EXPENSES	***9,242,736***	***783,348***	***1,326,073***	***11,352,157***	***$ 11,915,326***
Less - Amounts deducted directly against support	-	-	142,584	142,584	45,602
NET EXPENSES	***$ 9,242,736***	***$ 783,348***	***$ 1,183,489***	***$ 11,209,573***	***$ 11,869,724***

NOURISH UP

Consolidated Statement of Cash Flows

Year Ended September 30, 2025, With Prior Year Comparative Totals

	2025	2024
OPERATING ACTIVITIES		
Change in net assets	$ 5,789,019	$ 9,807,401
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	189,661	575,553
Loss on sale of property	7,093	7,682
Contributions for long-term purposes	(1,434,331)	(8,826,930)
Gain on investments, net	(853,890)	(1,163,487)
Donated fixed assets	(151,494)	(212,502)
Change in operating assets and liabilities:		
Unconditional promises to give	2,240,160	(3,125,409)
Food on hand	(174,531)	(942)
Prepaid expenses and other current assets	272,800	(11,853)
Accounts payable and other current liabilities	13,120	1,605
Cash Flows From Operating Activities	5,897,607	(2,948,882)
INVESTING ACTIVITIES		
Purchase of investments	(2,433,610)	(506,112)
Sale of investments	5,474,424	-
Loan made to Nourish UP IF, LLC	(18,433,500)	-
Purchase of property	(5,860,385)	(4,242,483)
Construction payable	1,413,989	(1,193,825)
Proceeds from sale of property	-	400
Cash Flows From Investing Activities	(19,839,082)	(5,942,020)
FINANCING ACTIVITIES		
Proceeds from note payable	34,795,000	-
Principal payments on note	(15,628,423)	(254,584)
Debt issuance costs paid	(739,410)	-
Contributions for long-term purposes	1,434,331	8,826,930
Cash Flows From Investing Activities	19,861,498	8,572,346
CHANGE IN CASH	***5,920,023***	***(318,556)***
CASH, BEGINNING	***3,771,177***	***4,089,733***
CASH, ENDING	***$ 9,691,200***	***$ 3,771,177***

NOTE 1 - NATURE OF ACTIVITIES AND OPERATIONS

Nature of activities
Nourish Up, formerly Loaves & Fishes/Friendship Trays, Inc. (the "Organization") operates as a not-for-profit organization whose principal function is to reduce the incidence of hunger and malnutrition in Mecklenburg County, North Carolina by procuring and distributing food supplies, and meals to the needy. The Meals on Wheels program delivers nutritionally balanced meals to individuals in the community who are unable, because of age or infirmity, to obtain or prepare their own meals.

Aid to pantries
Nourish Up provides assistance to food pantries, located in certain Charlotte/Mecklenburg area congregations and community centers, through distribution of food (including donated and purchased), supplies and administrative support. The pantries operate autonomously and are independent of the Organization. Accordingly, the results of these pantry operations are not reflected in the consolidated financial statements of the Organization.

Subsidiary
On January 8, 2025, the Organization formed Nourish Up Foundation (Foundation), a separate not-for-profit entity controlled by the Organization. The primary purpose of this entity is the improvement and management of the Organization’s warehouse and office facilities. Significant transactions, assets, and liabilities between the Organization and Foundation have been eliminated in the accompanying consolidated financial statements. Generally accepted accounting principles ignore the legal concept of separate entities for financial statement purposes. The $5,789,019 consolidated change in net assets consists of an increase in net assets of $5,774,547 for the Organization and increase in net assets of $14,472 for the Foundation.

Income tax status
Nourish Up is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. The Organization records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of September 30, 2025.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation
Nourish Up is required under generally accepted accounting principles in the United States of America (U.S. GAAP) to report information regarding its consolidated financial position and activities according to the following classes of net assets:

> *Net assets without donor restrictions* – Net assets without donor restrictions are those currently available for use in the day-to-day operation of the Organization and those resources invested in property. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives of the Organization.

Net assets with donor restrictions – These are net assets subject to donor-imposed stipulations. These restrictions may be temporary in nature, with the restriction being met either by actions of the Organization or the passage of time, or permanent, such that the net assets must be held in perpetuity by the Organization.

Cash and cash equivalents
The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains cash deposits with financial institutions that, at times, may exceed federally insured limits.

Contributions
The Organization recognizes contributions that are given unconditionally in the period the contributions are received or promised, whichever is earlier.

The Organization may receive contributions of cash or other assets which it reports as net assets with donor restrictions if such contributions are received with donor restrictions that limit the use of the donated assets. When a donor restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions.

Receivables
Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using a discount rate applicable to the year in which the promise is received. Subsequent amortization of the discount is included in contribution revenue. Management has determined no allowance is necessary based on a review of individual accounts, prior collection history, and the nature of fundraising activities. A present value discount was calculated, however it was determined to be immaterial to the financial statements and therefore not recorded.

Meal revenue
The Organization provides meals to customers at a fixed price. Revenue is recognized when the meal is provided, net of any subsidies. Accounts receivable at year-end is included in other assets in the accompanying financial statements. Management recognizes write-off of receivables when it is determined to be uncollectible. Management has determined that no allowance for credit losses is necessary based on a review of accounts receivable and subsequent collections.

Food on hand
Food on hand represents food which has been contributed or purchased and is available to be distributed. Such food is valued using the average cost per pound for contributed food or purchase cost for purchased food.

Donated services and goods
Donated services are reported as contributions when the services (a) create or enhance non-financial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. See Note 15 for further detail regarding contributed goods and services.

In addition, a number of volunteers, including members of the Board of Directors and its committees, as well as various volunteer assistants, contribute significant amounts of time to the Organization's program and support functions. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected as support in the accompanying consolidated financial statements.

Advertising
The Organization's policy is to expense the cost of advertising as it is incurred.

Use of estimates
The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional allocation of expenses
Nourish Up’s activities are focused in three functional areas. Program services represent the primary focus of the Organization’s activities. Supporting services are fundraising activities and general and administrative activities. The expenses that are allocated include personnel and related benefits which are allocated based on management’s estimates of time and effort and occupancy expenses which are based on space usage. All other expenses are allocated based on an analysis by management of the various expenses that comprise those costs.

Prior-year comparative totals
The consolidated financial statements include certain prior-year summarized information in total, but not by functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s 2024 financial statements, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the current year’s presentation.

New Markets Tax Credit Adjustment
During the year, the Organization entered into various agreements for the purpose of qualifying the Organization to receive New Markets Tax Credits (NMTC) as described in Note 9. Net assets were adjusted to capitalize costs that were previously expense in prior years but qualify for reimbursement by New Markets Tax Credit funding.

NOTE 3 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consisted of grants receivables and multi-year capital campaign pledges as of September 30, 2025. All unconditional promises to give for the capital campaign are classified as long-term on the consolidated Statement of Financial Position since the funds will be used for long-term purposes. Promises to give are expected to be collected as follows:

2026	$ 3,868,020
2027	2,653,113
2028	900,992
2029	502,500
2030 & thereafter	450,000
Total unconditional promises to give	8,374,625
Less: Present value discount	217,824
Unconditional promises to give, net	$ 8,156,801

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are carried at cost if purchased, and at the estimated fair market value at the date of receipt, if contributed. Contributed property and equipment are reported as unrestricted support unless the donor restricts the contributed asset to a specific purpose. The Organization records capital expenditures greater than $500 as property.

Property and equipment as of year-end is composed of the following:

Building	$ 7,073,123
Improvements	16,748,929
Land	1,114,877
Vehicles	719,995
Furniture and fixtures	7,839
Warehouse equipment	265,038
Total	25,929,801
Less - accumulated depreciation	515,139
PROPERTY AND EQUIPMENT, NET	$ 25,414,662

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets.

NOTE 5 - INVESTMENTS

Investments are recorded at fair value with realized and unrealized gains and losses included in the consolidated statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations.

The Organization's funds are invested with the Foundation for the Carolinas in an endowment fund ("FFTC"), Wells Fargo in an endowment fund ("WF"), Merrill Lynch ("ML"), and Charles Schwab ("CS").

All funds held by FFTC are invested in pooled investment funds consisting primarily of common stock equities, bonds, and fixed income investments and are managed by FFTC using customized investment strategies. Investment earnings and expenses are allocated based on the Organization's pro-rata share in the underlying pooled investments. The investments held by WF, ML, and CS consist of marketable equity and debt securities.

Investments consisted of the following as of September 30, 2025:

FFTC – pooled investment funds	$ 4,426,597
Wells Fargo, Merrill Lynch, and Charles Schwab	
Mutual funds - fixed income	6,590,376
Mutual funds - equity	2,573,259
Mutual funds - Real asset	93,854
Total Wells Fargo, Merrill Lynch, and Charles Schwab	9,257,489
TOTAL	$ 13,684,086

NOTE 6 - FAIR VALUE MEASUREMENT

U.S. GAAP provides the 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 the active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs used for valuing the Organization's investments are summarized in the three broad levels listed below:

- Level 1 - quoted prices in active markets for identical assets
- Level 2 - other significant observable inputs either directly or indirectly (including quoted prices for similar securities, interest rates, yield curves, credit risk, etc.)
- Level 3 - significant unobservable inputs

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The inputs or methodologies used for valuing the Organization's assets and liabilities are not necessarily an indication of the risk associated with those assets and liabilities.

As of September 30, 2025, the Organization's investments with FFTC were classified as Level 3 investments based upon the three levels of fair value measurement as defined above. The investments held with WF, ML, and CS were classified as Level 1.

The following table presents additional information about Level 3 assets and liabilities measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Organization has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within the Level 3 Category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

The changes in Level 3 assets consisted of the following for the year ended September 30, 2025:

Balance, beginning of year	$ 3,800,935
Unrealized gains, net	625,662
Balance, end of year	$ 4,426,597

NOTE 7 - ENDOWMENT FUNDS

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policy of the Organization

Spending policies

Contributions to Wells Fargo are permanently restricted and not available for use. A total return spending policy has been adopted by which up to 75 percent of the endowment's total annual return will be available to help support the operations of the Organization. As of September 30, 2025, the fair value of Wells Fargo is $4,643,344, which exceeds the corpus of $2,741,240; therefore, $1,426,578 is available to support operations and is included in net assets without donor restrictions. The remaining earnings of $475,526 are included in net assets with donor restrictions for a specific purpose.

Earnings on the FFTC funds are available for spending annually, in accordance with FFTC's spending policy. In accordance with the donor's wishes, the corpus of the endowed assets is restricted in perpetuity, whereas the earnings and gains and losses are unrestricted.

The following represents the endowment net asset composition by type of fund as of September 30, 2025, and the changes in the endowment net assets for the year then ended:

Endowment Net Asset Composition by Type of Fund	
Endowment funds without donor restrictions	$ 2,399,422
Board-designated endowment funds	2,929,713
Endowment funds restricted by donors for a particular purpose	475,526
Endowment funds restricted by donors in perpetuity	3,265,279
TOTAL	$ 9,069,940

Changes in Endowment Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 4,518,950	$ 3,500,035	$ 8,018,985
Investment income, net	810,185	106,323	916,508
Contributions, net	-	134,447	134,447
Endowment net assets, end of year	$ 5,329,135	$ 3,740,805	$ 9,069,940

NOTE 8 - NOTE RECEIVABLE

In March 2025, Nourish Up made a loan of $18,433,500 to Nourish UP IF, LLC, which is primarily owned by NMTC Thriving Communities Fund, LLC. The note bears interest at a fixed rate of 1.11% with quarterly payments of interest only due until July 2032, then principal and interest due until the loan matures in March 2060. Interest income of $53,313 was earned and received during the year ended September 30, 2025.

NOTE 9 - NOTES PAYABLE

The Foundation has entered into various agreements for the purpose of qualifying the Organization to receive New Markets Tax Credits (NMTC). The Organization's previous note payable due to a local financial institution was paid in full during the fiscal year as a part of the qualification process and new note agreements were issued.

Loans to Nourish Up Foundation
In March 2025, the Foundation received proceeds from five separate loans totaling $25,295,000, which have identical terms. The notes all bear interest at a fixed rate of 1%, with quarterly payments of interest only due until July 2052, then principal and interest until the notes mature in March 2060. Interest expense of $66,048 relating to these loans was incurred and paid for the year ended September 30, 2025.

Seven-year Compliance Period
During the seven-year compliance period beginning March 2025, the Foundation must utilize the real estate improvements financed by the NMTC for the Organization's operations only and comply with various provisions imposed by the NMTC agreement. At the conclusion of the seven-year period, the Organization has an option to purchase NMTC Thriving Communities Fund, LLC for $1,000, if the compliance requirements have been met. This transaction is expected to generate a significant gain. No amount has been recorded in the accompanying consolidated financial statements to reflect the fair value of this option due to the substantial compliance requirements.

Maturities of the note payable as of year-end are as follows:

Year Ending September 30:	
2026	$ -
2027	-
2028	-
2029	-
Thereafter	25,295,000
TOTAL	$ 25,295,000

Loan Costs
Loan costs of $739,410 are being amortized over the term of the loans. In accordance with U.S GAAP, the Organization has capitalized these costs as a direct deduction from the carrying amount of the notes payable. Amortization expense of $10,563 was recorded during the year ended September 30, 2025. Unamortized loan costs of $728,847 are presented as reductions of notes payable in the accompanying financial statements.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of year-end are available for the following purposes:

Investments held in perpetuity	$	3,265,279
Pledges for capital campaign		7,447,343
Time restricted pledges for future years		601,500
Funds from various donors with other purpose restrictions		659,843
TOTAL	$	11,973,965

Net assets are released from donor restrictions by satisfaction of time and purpose. Capital campaign expenditures below include expenses incurred during the year. Restrictions released during the year ended September 30, 2025, consisted of the following:

Purpose restricted:		
Food purchases	$	259,715
Capital campaign expenditures		5,030,478
Other		234,770
TOTAL	$	5,524,963

NOTE 11 - RETIREMENT PLAN

Eligible employees of the Organization participate in a Simplified Employee Pension Plan which is administered by an unaffiliated agency. Employees must be employed for one year to be eligible to participate in the plan. The Organization contributes 5 percent of each employee's salary to the plan annually. Contributions to the plan by the Organization totaled $96,013 for the year ended September 30, 2025.

NOTE 12 - CONCENTRATIONS OF RISK

Cash in excess of insured limits
Cash held in bank accounts is insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization holds cash at year-end in excess of insured limits covered by the FDIC. However, management believes that the risk related to these accounts is minimal because of the strong credit rating of the bank.

NOTE 13 – CONSTRUCTION COMMITMENTS

The Organization has entered into a contract that will require payments of an additional $2,652,176 upon completion of the related construction project.

NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by contributions; however, a portion of its support is also received as restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In order to accomplish this, each year, the Board designates net assets to cover at least half the following year's cash operating expenses. In addition, it invests cash in excess of daily requirements in investment funds that are able to be drawn on for general expenditures. The table below represents financial assets available for general expenditures within one year at September 30, 2025:

Financial assets at year-end:	
Cash	$ 3,168,957
Investments	13,684,086
Unconditional promises to give, net	3,868,020
Total financial assets	20,721,063
Less amounts not available to be used for general expenditures within one year:	
Restricted by donors with purpose restrictions	659,843
Restricted by donors in perpetuity	3,265,279
Designated by the Board for endowment and reserve	6,702,362
Financial assets not available to be used within one year	10,627,484
Assets available to meet expenditures within one year	$ 10,093,579

NOTE 15 - CONTRIBUTED GOODS AND SERVICES

The Organization received contributions of food valued at $4,357,677 during the year ended September 30, 2025, and is recognized as support in the accompanying statement of activities. The food is valued using the approximate average wholesale value of one pound of donated product as outlined in the Product Valuation Survey Methodology, prepared by Feeding America, the national food bank network non-profit corporation, or from estimated values provided by local agencies, as applicable. The Organization paid a reduced rate for use of its warehouse facility during the year ended September 30, 2025.

The Organization received donated advertising valued at $10,750 and donated professional services valued at $238,472 during the year ended September 30, 2025, and are included as contributed services in the accompanying statement of activities. These services were valued at the cost the Organization would have paid had they not been donated.

NOTE 16 - SUBSEQUENT EVENTS

Nourish Up has evaluated subsequent events from the date of the consolidated statement of financial position through the date of the independent auditors' report, which is the date the consolidated financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.

FOARD
EST. 1964

INDEPENDENT AUDITORS' 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
Nourish Up
Charlotte, North Carolina

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 consolidated financial statements of Nourish Up (the "Organization" – a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to consolidated financial statements, and have issued our report thereon dated March 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 may exist that have not been identified.

To the Board of Directors of
Nourish Up
Charlotte, North Carolina

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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.

Foard & Company, P.A.

March 16, 2026

FOARD
EST. 1984

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

To the Board of Directors of
Nourish Up
Charlotte, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Nourish Up's (the "Organization") 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 the Organization's major federal program for the year ended September 30, 2025. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 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 the Organization 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 the Organization'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 the Organization'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 the Organization'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 the Organization'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 the Organization'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 the Organization'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 the Organization'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 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.

To the Board of Directors of
Nourish Up
Charlotte, North Carolina

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 may exist that have not been 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.

Foard & Company, P.A.

March 16, 2026

I. SUMMARY OF AUDITORS' RESULTS

1. An unmodified opinion was issued on the consolidated financial statements of Nourish Up (the "Organization").

2. No significant deficiencies related to the audit of the financial statements are reported in the "Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements In Accordance with *Government Auditing Standards.*"

3. No instances of noncompliance material to the consolidated financial statements of the Organization were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal program are reported in the "Independent Auditors' Report on Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance."

5. An unmodified opinion was issued on the Organization's compliance with the types of compliance requirements applicable to its major federal program.

6. Our audit disclosed no audit findings related to the major federal program for the Organization.

7. The program tested as a major program was Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing Number 21.027).

8. The threshold used for distinguishing between Type A and B programs was $1,000,000.

9. The Organization qualified as a low-risk auditee under Section 200 of the Uniform Guidance.

II. FINDINGS RELATED TO THE AUDIT OF THE FINANCIAL STATEMENTS

There were no findings for the year ended September 30, 2025.

III. FINDINGS RELATED TO THE AUDIT OF FEDERAL AWARDS

There were no findings for the year ended September 30, 2025.

IV. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

There were no findings for the year ended September 30, 2024.

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Federal Expenditures
U.S. Department of Treasury		
Passed through Mecklenburg County, North Carolina:		
Coronavirus State and Local Fiscal Recovery Funds	21.027	$ 1,000,000
Total Federal Awards		$ 1,000,000