THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT

FINANCIAL STATEMENTS AND
OTHER SUPPLEMENTAL INFORMATION

December 31, 2025 and 2024

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT

TABLE OF CONTENTS

	Pages
INDEPENDENT AUDITOR'S REPORT	1 – 3
FINANCIAL STATEMENTS:	
Statements of Financial Position	4
Statements of Activities	5 – 6
Statements of Functional Expenses	7 – 8
Statements of Cash Flows	9
Notes to the Financial Statements	10 – 23
SUPPLEMENTARY INFORMATION:	
Schedule of Expenditures of Federal Awards	24
Notes to the Schedule of Expenditures of Federal Awards	25
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	26 – 27
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	28 – 30
Schedule of Findings and Questioned Costs	31
Schedule of Prior Year Findings and Questioned Costs	32

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Community Food Bank of Victoria
dba Food Bank of the Golden Crescent
Victoria, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Community Food Bank of Victoria (the Food Bank), a nonprofit organization, which comprise the statements of financial position as of December 31, 2025 and 2024, and 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 present fairly, in all material respects, the financial position of the Food Bank as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the Food Bank 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.

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 the Food Bank's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Food Bank'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 the Food Bank'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

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The financial statements and the schedule of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2026, on our consideration of the Food Bank'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 Food Bank'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 Community Food Bank of Victoria's internal control over financial reporting and compliance.

GF Valdez, P.C.

Corpus Christi, Texas
August 26, 2026

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,614,573	$ 664,875
Investments	1,660,026	2,423,290
Accounts receivable - government grants and contracts	427,640	382,397
Accounts receivable - agencies	20,635	23,301
Donated food inventory, net of food waste	1,590,357	1,577,397
Purchased food inventory	72,642	135,859
Other assets	44,283	-
Total Current Assets	5,430,156	5,207,119
Noncurrent Assets		
Property and equipment, net of accumulated depreciation	7,382,088	7,895,699
Operating lease right-of-use assets	72,637	-
Total Noncurrent Assets	7,454,725	7,895,699
Total Assets	$ 12,884,881	$ 13,102,818
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	$ 47,385	$ 32,008
Deferred revenue	11,294	17,366
Operating lease obligations due within one year	19,659	-
Total Current Liabilities	78,338	49,374
Noncurrent liabilities		
Long-term operating lease obligations	52,978	-
Total Liabilities	131,316	49,374
Net Assets		
Without donor restrictions	10,837,231	10,924,359
With donor restrictions	1,916,334	2,129,085
Total net assets	12,753,565	13,053,444
Total Liabilities and Net Assets	$ 12,884,881	$ 13,102,818

See accompanying notes.

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Federal Grants:			
USDA/TEFAP commodities	$ -	$ 3,021,312	$ 3,021,312
UDSA/CSFP commodities	-	1,128,459	1,128,459
TDA - CSFP (administrative cost reimbursements)	228,842	-	228,842
TDA - other administrative cost reimbursements	201,810	10,000	211,810
TDA - administrative cost reimbursements	160,495	-	160,495
Community Based Outreach Assistance Program	43,055	-	43,055
Total federal grants and revenue	634,202	4,159,771	4,793,973
Value of donated food inventory, net of food scrapped of $354,414	8,800,211	-	8,800,211
Donations	1,327,597	914,976	2,242,573
Program service fees	487,869	-	487,869
Fundraising	204,021	-	204,021
Dividend and interest income	95,493	-	95,493
Unrealized gain on investments held	56,277	-	56,277
Realized gain on sales of investments	-	-	-
Net assets released from restrictions	5,287,498	(5,287,498)	-
Total revenues, gains and other support	16,893,168	(212,751)	16,680,417
Expenses:			
Program expenses	16,282,858	-	16,282,858
Supporting services:			
Administrative	449,882	-	449,882
Fundraising	247,556	-	247,556
Total expenses	16,980,296	-	16,980,296
(Decrease) Increase in Net Assets	(87,128)	(212,751)	(299,879)
Net Assets, December 31, 2024	10,924,359	2,129,085	13,053,444
Net Assets, December 31, 2025	$ 10,837,231	$ 1,916,334	$ 12,753,565

See accompanying notes.

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Federal Grants:			
USDA commodities	$ -	$ 4,855,008	$ 4,855,008
USDA/CSFP commodities	-	1,604,652	1,604,652
TDA - other administrative cost reimbursements	563,516	-	563,516
TDA - Building Capacity Grant	-	184,443	184,443
TDA - CSFP (administrative cost reimbursements)	163,375	-	163,375
Community Based Outreach Assistance Program	95,964	-	95,964
TDA - LFPA	-	57,765	57,765
Total federal grants	822,855	6,701,868	7,524,723
Value of donated food inventory, net of food scrapped of $300,164	9,156,546	-	9,156,546
Donations	1,408,958	630,603	2,039,561
Program service fees	581,284	-	581,284
Fundraising	149,980	-	149,980
Dividend and interest income	95,766	-	95,766
Unrealized gain on investments held	24,889	-	24,889
Realized gain on sales of investments	17,947	-	17,947
Net assets released from restrictions	6,678,447	(6,678,447)	-
Total revenues, gains and other support	18,936,672	654,024	19,590,696
Expenses:			
Program expenses	18,398,176	-	18,398,176
Supporting services:			
Administrative	364,157	-	364,157
Fundraising	300,047	-	300,047
Total expenses	19,062,380	-	19,062,380
(Decrease) Increase in Net Assets	(125,708)	654,024	528,316
Net Assets, December 31, 2023	11,050,067	1,475,061	12,525,128
Net Assets, December 31, 2024	$ 10,924,359	$ 2,129,085	$ 13,053,444

See accompanying notes.

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

	Program Services	Supporting Services			Total Expenses
		Administrative	Fundraising	Total	
Food distributed	$ 13,012,187	$ -	$ -	$ -	$ 13,012,187
Salaries and benefits	1,804,601	48,773	97,546	146,319	1,950,920
Depreciation expense	413,356	203,593	-	203,593	616,949
Food purchases	195,729	-	-	-	195,729
Back-Pack and other programs	195,409	-	-	-	195,409
Repairs and maintenance	163,508	10,437	-	10,437	173,945
Transportation	137,720	18,996	1,583	20,579	158,299
Fundraising expense	-	-	133,991	133,991	133,991
Utilities	86,776	26,152	5,944	32,096	118,872
Food processing	92,891	-	-	-	92,891
Insurance	77,818	13,733	-	13,733	91,551
Office expense	45,652	35,308	1,605	36,913	82,565
Professional fees	19,974	28,743	-	28,743	48,717
Training	-	36,858	-	36,858	36,858
Dues and subscriptions	1,611	15,652	5,755	21,407	23,018
Downtown farmer's market	17,466	-	-	-	17,466
Postage	12,947	104	-	104	13,051
Investment expense	-	8,029	-	8,029	8,029
Volunteer recognition	1,659	3,371	156	3,527	5,186
Grant expense	2,469	25	-	25	2,494
Uniforms	1,085	108	976	1,084	2,169
	$ 16,282,858	$ 449,882	$ 247,556	$ 697,438	$ 16,980,296

See accompanying notes.

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Program Services	Supporting Services			Total Expenses
		Administrative	Fundraising	Total	
Food distributed	$ 14,940,419	$ -	$ -	$ -	$ 14,940,419
Salaries and benefits	1,668,499	45,095	90,189	135,284	1,803,783
Depreciation expense	503,689	121,328	-	121,328	625,017
Food purchases	446,600	-	-	-	446,600
Fundraising expense	-	-	193,826	193,826	193,826
Repairs and maintenance	180,427	10,720	-	10,720	191,147
Back-Pack and other programs	163,954	-	-	-	163,954
Transportation	114,312	15,767	1,314	17,081	131,393
Utilities	84,739	25,538	5,804	31,342	116,081
Insurance	80,245	14,161	-	14,161	94,406
Office expense	49,633	40,442	1,838	42,280	91,913
Food Processing	89,991	-	-	-	89,991
Professional fees	18,004	25,908	-	25,908	43,912
Training	-	37,741	-	37,741	37,741
Grant expense	22,486	227	-	227	22,713
Dues and subscriptions	1,483	14,406	5,297	19,703	21,186
Downtown farmer's market	16,165	-	-	-	16,165
Postage	13,257	107	-	107	13,364
Volunteer recognition	2,564	5,208	240	5,448	8,012
Invesment expense	-	7,338	-	7,338	7,338
Uniforms	1,709	171	1,539	1,710	3,419
	$ 18,398,176	$ 364,157	$ 300,047	$ 664,204	$ 19,062,380

See accompanying notes.

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
(Decrease) Increase in net assets	$ (299,879)	$ 528,316
Adjustments to reconcile net assets to net cash provided by operating activities		
Depreciation expense	616,949	625,017
Unrealized gain on investments held	(14,567)	(24,889)
Realized gain on sales of investments	-	(17,947)
In-kind contributions of food items	(13,304,396)	(15,454,634)
Distributions of in-kind food items	13,291,436	14,723,860
Decrease (increase) in:		
Accounts receivable	(42,577)	(123,602)
Purchased inventory	63,217	43,524
Other assets	(44,283)	-
Increase (decrease) in:		
Accounts payable	15,377	(22,192)
Accrued expenses	-	(5,564)
Deferred revenue	(6,072)	(8,030)
Net cash provided by operating activities	275,205	263,859
Cash flows from investing activities:		
Purchases of investment and dividend reinvestment	(1,438,079)	(1,027,486)
Redemption of investments	2,215,910	695,620
Purchases of property and equipment	(103,338)	(398,891)
Net cash used in investing activities	674,493	(730,757)
Cash flows from financing activities:	-	-
Net cash provided by financing activities	-	-
Net change in cash	949,698	(466,898)
Cash at beginning of year	664,875	1,131,773
Cash at end of year	$ 1,614,573	$ 664,875
SUPPLEMENTAL DISCLOSURE		

See accompanying notes.

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

NOTE 1 – NATURE OF ACTIVITIES

The Community Food Bank of Victoria (the Food Bank) is a Texas non-profit corporation that operated originally as part of the Spirit of Youth of Victoria and then began its own operations as a separate entity on September 30, 1989. In order to identify better with its eleven-county service area, the Food Bank began doing business as the Food Bank of the Golden Crescent. The Food Bank's purpose is to collect and warehouse salvageable food, which has been donated by organizations and businesses, and distribute it to other non-profit agencies (agencies) which feed and distribute food to low-income families and individuals. Funding is provided primarily by donated commodities obtained from a nationwide network of sources including supermarket chains, the United States Department of Agriculture and food drives. The value of food and non-perishable items received from supermarket chains was $4,245,448and $4,371,766 (31% and 22% of revenues), for the years ended December 31, 2025 and 2024, respectively.

Below is a summary of principle programs administered by the Food Bank:

1. *Kids Backpack Program* – the Backpack Program provides children with nutritious food to take home for the weekend. Backpacks are filled with nutritious, child-friendly food and redistributed on the day before weekends or holiday vacations.

2. *Commodity Supplemental Food Program (CSFP)* – CSFP is a federally funded program by the U.S. Department of Agriculture and is administered by the Food and Nutrition Service and the Texas Department of Agriculture. Program recipients receive a grocery bag of supplemental food every month of the year. The Food Bank gives out health information, nutrition issues, food demonstrations and recipes through the CSF Program.

3. *Texas Emergency Food Assistance Program (TEFAP)* – The TEFAP of The Community Food Bank of Victoria assists individuals and families in need by delivering surplus commodities from the USDA and TDA to those individuals.

4. *Mobile Pantry Program* – The Mobile Pantry Program reaches individuals and families living in rural areas and surrounding counties of Victoria, Texas. The goal is to provide and distribute food items, including fresh produce, every month in smaller cities that do not have local help.

5. *Hunters for the Hungry* – The Hunters for the Hungry Program goal is to alleviate hunger and malnutrition to families in surrounding counties of Victoria, Texas. Their mission is to provide a meaningful outlet for hunters wishing to help their communities and promote stewardship of the environment through sensible wildlife management plans.

NOTE 1 – NATURE OF ACTIVITIES (Continued)

6. *Social Services Program* – The Food Bank assist clients to complete applications for SNAP, Long Term Care for Seniors, CHIPS, Medicaid, TANF, and Medicare Savings Programs in local and rural counties so families can get the help they need.

7. *Disaster Relief Program* – The Food Bank works directly with local and state authorities in emergency management operations to provide immediate food, water, and other items to those directly affected by a disaster.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Food Bank prepares its financial statements under the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. The Food Bank is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The following explains the details of both classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Food Bank's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Food Bank or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Cash and Cash Equivalents

For purposes of cash flows, the Food Bank considers investments available for current use with an initial maturity date of ninety days to be cash equivalents. The Food Bank maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits of up to $250,000 under the Federal Deposit Insurance Corporation (FDIC). Management believes it is not exposed to any significant risk on cash accounts.

Accounts Receivable

Accounts receivable represent amounts due from agencies and are stated at the amount the Food Bank expects to collect for shared maintenance fees. Provision for losses on receivables is made when considered necessary to maintain an adequate allowance to cover bad debts. Receivables are charged against the allowance when the Food Bank determines that payments will not be received. Any subsequent receipts are credited to the allowance. As of December 31, 2025 and 2024, management estimates that no reserve for losses on receivables is required.

Grants Receivable

Grants receivable consists primarily of amounts due from government agencies and represent amounts due to the Food Bank in accordance with cost-reimbursement contracts. These receivables are considered fully collectible and therefore, the Food Bank does not consider an allowance necessary as of December 31, 2025 and 2024.

Investments and Net Investment Returns

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. The unrealized gain or loss on investments is included as a component of investment income in the statements of activities. Realized gains and losses on sales of investments are included in the statement of activities. Investments in certificates of deposit with original maturities over three months are carried at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory and Food Pricing

Inventory is stated at the lower of cost or market determined by the first-in, first-out method. Inventory consists of donated food and non-food items, purchased food, and commodities received from the United States Department of Agriculture (USDA). Donated food and non-food items were valued at $1.90 and $1.97 per pound for the years ended December 31, 2025 and 2024, respectively. This valuation is based on published fair market value derived from cost studies conducted by Feeding America. Purchased food is valued at the latest purchase price. USDA commodity inventory amounts at December 31, 2025 and 2024 are restricted to distribution programs serving low-income families and individuals. Therefore, the value of these ending inventories is reflected as with donor restriction asset in the statement of financial position. Accordingly, the distribution of these commodities is reflected in the statement of activities as assets released from restriction.

Shared Maintenance Fees

Shared maintenance fees represent shared fees charged to agencies for handling distributed food and are recognized at a point in time when goods are provided to an agency and the Food Bank is not required to provide additional goods or services. These shared maintenance fees range from $0.03 to $0.19 per pound, and the Food Bank determines the transaction price concessions, and the contracts do not contain a significant financing component or variable consideration.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Gifts or contributions of property and equipment are recorded at the asset's fair market value at the time received. Depreciation is calculated using the straight-line method over useful lives of the assets, ranging from five to fifteen years for vehicles, office furniture, and equipment, and ten to forty years for buildings and building improvements. It is the Food Bank's policy to capitalize property and equipment over $1,500 and to expense items purchased at lesser amounts. When items are disposed of, the cost and accumulated depreciation are eliminated from the records of accounts and any gains or losses are reported in the statement of activities.

Long-lived Asset Impairment

The Food Bank evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ending December 31, 2025 and 2024.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Food Bank reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Food Bank reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Contributions and Contributed Services

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

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

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction. Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received, and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

The Food Bank receives a significant amount of donated services from unpaid volunteers who assist in the warehouse. However, the value of these services has not been recognized in the statement of activities since they do not meet the criteria for recognition as contributed services. The Food Bank received 8,169 hours of services from 2,583 volunteers for the year ending December 31, 2025. The Food Bank received 8,706 hours of services from 2,597 volunteers for the year ending December 31, 2024.

Reclassifications

Certain amounts in the prior year financial statements, none having an effect on net income, have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Support and Revenue Recognition

The Food Bank follows ASU 606, Revenue from Contracts with Customers, which established a comprehensive revenue recognition standard for virtually all industries in U.S. GAAP, including those that previously followed industry-specific guidance. Management has undertaken a review of contracts and revenue streams for all net revenues. In the context of ASU 606 as it applies to the Food Bank, customers and responsible parties include partner agencies and the lessee/lessor arrangement between the Food Bank.

Government Grants and Contracts

Federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when incurred expenditures comply with specific contract or grant provisions. Amounts received prior to incurring qualifying expenses are reported as refundable advances in the statement of financial position. No amounts have been received in advance under federal and state contracts and grants. None of the grants or contracts involve an exchange portion. Disallowed costs due to oversight agency audits are recognized in the period the funds are repaid after the oversight agency has made its determination and issued a final correction action plan requiring repayment of such cost.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities and the statement of functional expenses. Expenses are charged to program and supporting services based on direct expenditures incurred. Any expenditures not directly chargeable to a program is allocated to program and supporting service by percentages based on management's estimates related to employee counts in the Food Bank's different departments.

Income Tax Status

The Food Bank is a not-for-profit organization that is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported organization. Accordingly, no provision for income taxes has been made in the accompanying statements. The Food Bank's Form 990, Return of Organization Exempt from Income Tax, for the years ending 2022, 2023, and 2024 are subject to examination by the IRS, generally for three years after they were filed.

Compensated Absences

Employees of the Food Bank begin to accrue vacation benefits upon their first day of employment and are eligible to use this time upon receipt of their first paycheck. Vacation benefits are typically taken in the calendar year it was accrued, however up to 40 and 20 hours for full-time and part-time employees, respectively, is allowed to be carried over into the following fiscal period. Any unused vacation hours will be paid in full upon termination. Sick leave accumulates upon employment. For an employee to be eligible for paid sick leave, 90 days of service must be completed. All unused sick leave may accrue, but unused sick pay is not paid to employees upon termination with the Food Bank. Because these amounts cannot be reasonably estimated, no accrual has been made for compensated absences.

Subsequent events

Management of the Food Bank has evaluated subsequent events for disclosure through August 26, 2026, the date the financial statements were available to be issued. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

NOTE 3 – CONTINGENCIES

The Food Bank receives funding or reimbursement from governmental agencies that are subject to specific compliance requirements and review and audit by the grantors or their representatives. Such audits could result in requests for reimbursement by the grantor agency for expenses disallowed under the terms and conditions specified in the grant agreements. The net effect of any disallowances or adjustments resulting from these activities could have a material effect on the Food Bank's financial position.

NOTE 4 – LIQUIDITY AND AVAILIBILITY OF FINANCIAL ASSETS

The following represents the Food Bank's financial assets available for general expenditures within one year at December 31, 2025 and 2024. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 1,614,573	$ 664,875
Investments	1,660,026	2,423,290
Accounts receivable	448,275	405,698
Total financial assets	3,722,874	3,493,863
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(1,916,334)	(2,129,085)
Less net assets with purpose restrictions to be met in less than a year	--	--
Financial assets available to meet general expenditures over the next twelve months	$ 1,806,540	$ 1,364,778

As part of the Food Bank'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.

NOTE 5 – INVESTMENTS

Investments consisted of the following as of December 31:

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
December 31, 2025				
Certificates of deposit	$1,111,562	$ 1,649	$ --	$ 1,113,211
Mutual funds	492,186	54,628	--	546,814
	$1,603,748	$ 56,277	$ --	$ 1,660,025
December 31, 2024				
Certificates of deposit	$1,897,636	$ 813	$ --	$ 1,898,449
Mutual funds	483,944	40,897	--	524,841
	$2,381,580	$ 41,710	$ --	$ 2,423,290

Interest and dividend income for the years ending December 31, 2025 and 2024 were $95,493and $95,766, respectively. Net unrealized gains of $56,277 and $24,889 on investments held were recognized at December 31, 2025 and 2024, respectively. And net realized gains were $0 and $17,947 for the years ended December 31, 2025 and 2024, respectively.

NOTE 6 – INVENTORY

Although the Food Bank purchases some of its food inventory, the majority of food distributed by The Food Bank is received by contributions from the general public and from the U. S. Department of Agriculture (USDA). The estimated value of these contributions is recognized in the financial statements as contribution revenue and food and other supplies or program expenses if distributed during the year. The pounds collected are recorded by Food Bank staff at the time of receipt based on actual weight. The total value of contributed and purchased food at December 31, 2025 and 2024 is as follows:

	2025		2024	
	Pounds	Dollars	Pounds	Dollars
Donated inventory	308,707	$ 588,595	193,486	$ 381,107
USDA commodities	259,917	493,841	96,287	189,685
USDA-CCC commodities	--	--	91,152	179,569
Purchased inventory	71,588	72,642	135,504	135,859
CSFP commodities	263,946	507,921	422,664	--
	904,158	$1,662,999	939,093	$ 1,713,256

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2025	2024
Building (S. Laurent)	$ 6,685,385	$ 6,685,385
Land (S. Laurent)	245,792	245,792
Building (E. Rio Grande)	1,197,105	1,197,105
Land (E. Rio Grande)	22,064	22,064
Equipment	1,812,799	1,746,481
Vehicles	1,090,588	1,090,588
Construction-in-progress	37,020	--
	11,090,753	10,987,415
Less: Accumulated depreciation	(3,708,665)	(3,091,716)
Property and equipment, net	$ 7,382,088	$ 7,895,699

Depreciation expense for the years ended December 31, 2025 and 2024 totaled $616,949 and $625,017, respectively.

NOTE 8 – LINE OF CREDIT PAYABLE

The Food Bank holds a revolving line of credit for amounts up to $250,000 with Prosperity Bank, Texas to support Food Bank's operations. The line of credit held a zero balance at December 31, 2025 and 2024. No funds were disbursed to the Food Bank from the line in 2025 or 2024.

NOTE 9 – CONCENTRATIONS

The Food Bank receives a large portion of its food supplies from the U.S. Department of Agriculture via the Emergency Food Assistance Programs (TEFAP). For the years ending December 31, 2025 and 2024, these commodities comprised approximately 30% and 41%, respectively, of the total value of all donated food received.

A grant to reimburse administrative costs with the U.S. Department of Agriculture provided approximately 100% and 100% of the assistance necessary to fund the administrative operations of the Food Bank for the years ending December 31, 2025 and 2024, respectively.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31 were available for the following purposes:

Specific Purpose	2025	2024
CSFP commodities for distribution	$ 507,921	$ 827,036
USDA commodities for distribution	493,841	369,254
Transportation and food purchases	505,952	327,870
3809 E. Rio Grande building renovation	261,300	290,000
Backpack program	130,696	139,984
Senior meal boxes	14,119	--
Training	2,505	155,058
Diabetic education	--	19,883
Total net assets with donor restrictions	$ 1,916,334	$ 2,129,085

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Specific Purpose	2025	2024
USDA commodities for distribution	$ 2,896,725	$ 4,818,883
CSFP commodities for distribution	1,447,574	777,616
Transportation and food purchases	395,470	476,565
US Treasury – building capacity grant	10,000	184,443
Training	160,557	149,271
Kids backpack program	220,708	97,291
US Department of HUD	--	57,765
Senior meal boxes	107,881	45,000
Diabetic education	19,883	30,117
FPI strategic capacity building services	--	23,675
Agencies	--	17,821
3809 E. Rio Grande building renovation	28,700	--
Total net assets released from restriction	$ 5,287,498	$ 6,678,447

NOTE 11 – RETIREMENT PLAN

The Food Bank offers a 403(b) retirement plan available to all full-time employees once they have completed 90 days of employment. Those employees who are eligible to participate may contribute an elected percentage not to exceed 10% or a set amount withheld from their payroll check every pay period. The Food Bank will match 100% of the employees' contribution each pay period up to the budgeted amount for the year. Each employee is 100% vested in the Food Bank's match. Contributions made on behalf of employees totaled $42,864 and $31,237 for the years ending December 31, 2025 and 2024, respectively.

NOTE 12 – OPERATING LEASES

The Food Bank has non-cancelable operating leases, primarily for the use of office equipment. This lease generally contains renewal options for various periods and requires the Food Bank to pay costs such as taxes, maintenance, and insurance. The discount rates related to the Food Bank's right-of-use operating leases ranged from 3.79 to 4.41. Total lease expense for 2025 and 2024 was approximately $14,526 and $9,961, respectively. Right-of-use operating leases are classified as other non-current assets and liabilities.

Lease liability maturities as of December 31, 2025, are as follows:

	Operating Leases	Inputs (Level 3)
2026	$ 22,048	$ 22,048
2027	22,048	22,048
2028	13,535	13,535
2029	11,784	11,784
2030	8,838	8,838
Total undiscounted liability	78,253	78,253
Less: Imputed interest	(5,616)	(5,616)
Total lease	$ 72,637	$ 72,637

NOTE 13 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date.

The three levels of the fair value hierarchy are as follows:

- Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- Level 2 – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- Level 3 – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

Fair value measurements and levels within the fair value hierarchy of those measurements for assets and liabilities reported at fair value on a recurring basis at December 31, 2025 and 2024 are as follows:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025				
Certificates of deposit	$ 1,113,211	$ 1,113,211	$ --	$ --
Mutual funds	546,814	546,814	--	--
Total	$ 1,660,025	$ 1,660,025	$ --	$ --
December 31, 2024				
Certificates of deposit	$ 1,898,449	$ 1,898,449	$ --	$ --
Mutual funds	524,841	524,841	--	--
Total	$ 2,423,290	$ 2,423,290	$ --	$ --

To estimate their fair value, the Food Bank uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (market approach).

NOTE 13 – FAIR VALUE MEASUREMENTS (Continued)

Valuation methods used for assets measured at fair value on a recurring basis are as follows:

- Mutual funds are valued at the net asset value of shares held at year end. These valuation methods may produce a fair value that may not be indicative of net realizable value of reflective of futures fair values.
- Certificates of deposit are valued at the closing price reported on the active market on which the individual securities are traded.

Furthermore, while the Food Bank believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date. The Food Bank recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in 2025 or 2024.

NOTE 14 – RELATED-PARTY TRANSACTIONS

A board member of the Food Bank is an employee of a supermarket chain to which the Food Bank paid $2,126 and $2,801 in 2025 and 2024, respectively. A board member of the Food Bank is an employee of another supermarket chain to which the Food Bank paid $890 and $751 in 2025 and 2024, respectively.

NOTE 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Shared Maintenance Revenue

Performance obligations are determined based on the nature of the goods or services provided by the Food Bank in accordance with the contract. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to customers and the Food Bank does not believe it is required to provide additional goods or services related to that sale.

Transaction Price and Recognition

The Food Bank determines the transaction price on a per pound basis on selected categories of products. There are no explicit or implicit price concessions, and the contracts do not contain a significant financing component or variable consideration. The Food Bank has not incurred material refunds in the past, and accordingly, has not provided for a refund liability on December 31, 2025. The exchange portion of shared maintenance revenue, plus reimbursements, was $487,869 and $581,284, for the years ended December 31, 2025 and 2024, respectively. For the years ended December 31, 2025 and 2024, the Food Bank recognized revenue from goods or services that transfer to the customer at a point in time.

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Passed Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Passed Through the:				
The Food Distribution - Cluster				
Texas Department of Agriculture				
Emergency Food Assistance Program				
(Food Commodities)	10.569	04006	-	$ 2,389,300
Texas Department of Agriculture				
Emergency Food Assistance Program				
(Administrative Costs) - Reach & Resiliency	10.568	04006	-	176,102
Texas Department of Agriculture				
Emergency Food Assistance Program				
(Administrative Costs)	10.568	04006	-	160,495
Texas Department of Agriculture				
Commodity Supplemental Food Program				
(Food Commodities)	10.565	04006	-	1,447,574
Texas Department of Agriculture				
Commodity Supplemental Food Program				
(Administrative Costs)	10.565	04006	-	228,842
Total passed-through Texas Department of Agriculture - The Food Distribution Cluster				4,402,313
Passed Through the:				
Texas Department of Agriculture				
Emergency Food Assistance Program (TEFAP)				
Commodity Credit Corporation Eligible Receiptent Funds				
(Food Commodities)	10.187	04006	-	507,425
Total passed-through Texas Department of Agriculture				507,425
Total U.S. Department of Agriculture				4,909,738
U. S. Department of Health and Human Services				
Passed Through the:				
Texas Food Bank Network				
Community Based Outreach & Application Assistance Services	N/A	HHSC-529-06-0423-00013	-	43,055
Total passed-through Texas Food Bank Network				43,055
Total U.S. Department of Health and Human Services				43,055
U.S. Department of Treasury				
Passed Through the:				
Texas Department of Agriculture				
Food Bank Capacity Building Grant	21.027.119	GFB202217	-	35,708
Total passed-through Texas Department of Treasury				35,708
Total U.S. Department of Treasury				35,708
U.S. Department of Housing and Urban Development				
Passed Through the:				
Office of Community Planning and Development				
Community Development Block Grants/Entitlement Grants	14.218	B-13-MC-48-0510	-	10,000
Total passed-through City of Victoria, Texas				10,000
Total U.S. Department of Housing and Urban Development				10,000
Total Federal Awards				$ 4,998,501

See accompanying Notes to Schedule of Expenditures of Federal Awards.

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Community Food Bank of Victoria (the Food Bank) under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Food Bank, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Food Bank. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity indentifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The Food Bank has not elected to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 – FOOD DONATION

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. As of December 31, 2025, the Food Bank had $1,001,762 of USDA TEFAP and CSFP commodities in inventory.

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

To the Board of Directors of
The Community Food Bank of Victoria
dba Food Bank of the Golden Crescent
Victoria, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Community Food Bank of Victoria (the Food Bank), a nonprofit organization, which comprise the statements of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 26, 2026.

Report on Internal Control Over Financial Reporting

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Food Bank's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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.

GF Valdez, P.C.

Corpus Christi, Texas
August 26, 2026

GF Valdez, P.C.

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

To the Board of Directors of
The Community Food Bank of Victoria
dba Food Bank of the Golden Crescent
Victoria, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Food Bank 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 Food Bank'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 Food Bank's federal programs.

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

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

Report on Internal Control over Compliance

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

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

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

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

GF Valdez, P.C.

Corpus Christi, Texas
August 26, 2026

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

A SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting:	
● Material Weakness Identified?	No
● Significant Deficiencies identified not considered to be a material weakness?	None reported
● Noncompliance material to the financial statements?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
● Material Weakness Identified?	No
● Significant Deficiencies identified not considered to be a material weakness?	None reported
● Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identificaiton of major federal programs:

ALN #	Federal Program Title or Cluster
	The Food Distribution Cluster -
10.569	Texas Department of Agriculture Emergency Food Assistance Program (Food Commodities)
10.568	Texas Department of Agriculture Emergency Food Assistance Program (Administrative Costs)
10.565	Commodity Supplemental Food Program (Food Commodities and Adminstrative Costs)
10.187	Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds (Food & Adminstrative Costs)

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,000,000
Auditee qualified as low-risk auditee?	Yes

B FINDINGS RELATED TO FINANCIAL STATEMENTS
None

C FINDINGS RELATED TO FEDERAL AWARDS
None

THE COMMUNITY FOOD BANK OF VICTORIA
DBA FOOD BANK OF THE GOLDEN CRESCENT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

A PRIOR YEAR FINDINGS - FINANCIAL STATEMENT AUDIT

None

B PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None