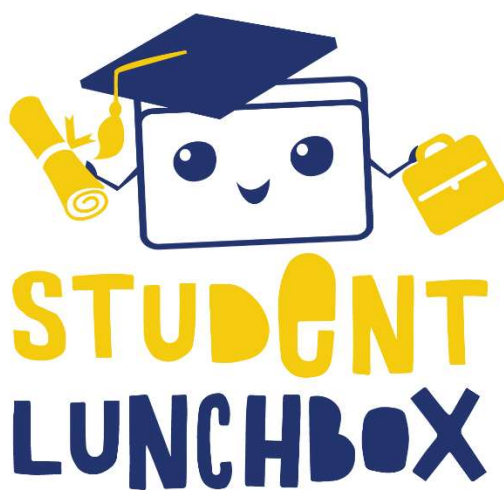


# Management Report

Student LunchBox, Inc

For the year ended December 31, 2025



Prepared on  
January 16, 2025

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## Introduction to Financial Statements

Student LunchBox is a 501(c)(3) charitable organization established in 2020 to promote college excellence through comprehensive basic needs support. Using innovative resource recovery initiatives, SLB addresses food insecurity and hunger by providing nutritious meals and essential supplies to economically disadvantaged college students across Los Angeles County, enabling them to focus on their education and reach their full academic potential.

At the core of our mission is the unwavering belief that no student should have to choose between their education and their basic needs. Unlike traditional support systems, SLB is a college community-led, impact-driven, and sustainability-focused organization. By leveraging strategic campus partnerships, we address the critical challenges of financial hardship and food insecurity, directly reaching thousands of students each year.

SLB implements a comprehensive three-pronged approach to delivering relief: (1) conducting weekly food and supply distributions to partner campus pantries, (2) establishing satellite pantries at institutions lacking the necessary infrastructure, and (3) organizing mobile food markets modeled after farmers' market-style distributions. This multifaceted strategy ensures consistent access to nutritious food and essential resources while preserving student dignity and fostering community engagement.

Together, these strategies form the foundation of our comprehensive support model, ensuring that students have reliable access to critical resources that advance their academic progress. Building on this holistic approach, SLB's Closet Initiative extends our impact beyond food by providing clothing, hygiene products, toiletries, bedding, and other needed items. In 2025, SLB expanded this initiative to include age-appropriate items for student parents and their children to strengthen family stability while pursuing their degrees.

SLB delivers measurable improvements in students' financial stability, mental and physical health, and academic persistence while fostering a culture of dignity and openness around accessing support. Progress is assessed annually through student surveys, in-person interviews, and narrative evaluations that capture both quantitative results and lived experiences.

Our growth trajectory underscores the increasing demand for our services and the effectiveness of our approach. Since our inception, SLB has expanded its reach significantly, from serving two colleges in 2021 to five in 2022, doubling to ten in 2023, and further growing to 15 in 2025. This progress reflects the strength of our campus and community partnerships and the deepening trust in our ability to create meaningful impact.

While the organization has expanded its operational reach, continued sustainability and responsible growth depend on the ongoing development of its support network. Student LunchBox does not operate under a membership model; however, since 2022, the organization has demonstrated consistent growth in repeat donor participation, reflecting sustained engagement and confidence in its programs. In 2025, the volunteer base also expanded, with both new and returning volunteers contributing to core functions including marketing, fundraising support, and program distribution. These contributions remain essential to maintaining operational efficiency and advancing the organization's mission.

As the organization reflects on 2025, Student LunchBox recognizes a year of continued operational expansion, strengthened partnerships, and measurable progress in supporting students' academic stability. Looking ahead, the organization remains focused on sustaining responsible growth, improving operational efficiency, and deepening engagement with donors and community partners. These priorities are intended to reinforce long-term financial stability and ensure the continued delivery of essential services aligned with the organization's mission.

The following financial statements detail SLB's financial activities for the twelve-month period ending December 31, 2025.

## Student LunchBox, Inc

### Statement of Financial Position

As of December 31, 2025

#### ASSETS

##### Current Assets

Cash and cash equivalents	\$	1,046,582
Security deposits		7,320
Pledge receivables and other receivables		583
Prepaid expenses and other assets		2,357
Total Current Assets		1,056,842

##### Non-Current Assets

Equipment, Net		51,118
Furniture & Fixtures, Net		1,409
Trademarks		499
Total Non-Current Assets		53,026

<b>TOTAL ASSETS</b>	<b>\$</b>	<b>1,109,868</b>
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#### LIABILITIES AND NET ASSETS

##### Liabilities

Accrued expenses	\$	5,655
Payroll liabilities		238
Total Liabilities		5,893

##### Net Assets

Without donor restrictions		1,103,594
With donor restrictions		381
Total Net Assets		1,103,975

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b>1,109,868</b>
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## Student LunchBox, Inc

### Statement of Activity For the Twelve Months Ended December 31, 2025

#### REVENUES

	Without Donor Restrictions	With Donor Restrictions	Total
Government grants & contracts	\$ -	\$ 20,000	\$ 20,000
Corporate & foundation grants	108,950	-	108,950
Individual donations	10,011	-	10,011
Grants from other nonprofits	500	-	500
In-kind donations (FMV)	2,237,155	0	2,237,155
Net assets released from restrictions	20,000	(20,000)	-
Bank interest earned	37,259	-	37,259
Miscellaneous Income	570	-	570
<b>Total Support and Revenue</b>	<b>\$ 2,414,445</b>	<b>\$ -</b>	<b>\$ 2,414,445</b>

#### EXPENSES

Direct program services			
Cost of goods distributed			
California State University, Dominguez Hills	\$ 119,032	\$ -	\$ 119,032
California State University, Long Beach	295,886	-	295,886
California State University, Los Angeles	168,834	-	168,834
California State University, Northridge	80,758	-	80,758
CBD College	50,413	-	50,413
Charles R. Drew University	109,182	-	109,182
Emerson College, Los Angeles Center	70,203	-	70,203
Ithaca College, Los Angeles	8,536	-	8,536
James Madison University	2,814	-	2,814
Los Angeles City College	428,041	-	428,041
Los Angeles Mission College	145,082	-	145,082
Los Angeles Valley College	170,897	-	170,897
Los Angeles Pierce College	335,638	-	335,638
Montclair State University, Los Angeles Center	4,086	-	4,086
New York University, Los Angeles	17,356	-	17,356
University of California, Los Angeles	179,664	-	179,664
University of Texas, Los Angeles	5,436	-	5,436
General Food Pantry Programs	28,335	-	28,335
Total cost of goods distributed	2,220,193	-	2,220,193
Program expenses	157,987	-	157,987
Total direct program services	2,378,180	-	2,378,180
Administrative & general	31,783	-	31,783
<b>Total Expenses</b>	<b>\$ 2,409,963</b>	<b>\$ -</b>	<b>\$ 2,409,963</b>
Net Assets at the Beginning of the Year	\$ 1,099,112	\$ 381	\$ 1,099,493
Change in Net Assets	4,482	-	4,482
<b>Net Assets at the End of the Period</b>	<b>\$ 1,103,594</b>	<b>\$ 381</b>	<b>\$ 1,103,975</b>

## Student LunchBox, Inc

### Statement of Cash Flows

**For the Twelve Months Ended December 31, 2025**

#### Cash Flows from Operating Activities

Change in net assets	\$	4,482
Adjustment to reconcile change in net assets to net cash		
and cash equivalents provided by operating activities:		
Depreciation		17,932
Decrease (increase) in operating assets:		
Pledge receivables and other receivables		31,239
Prepaid expenses and other assets		408
Increase (decrease) in operating liabilities:		
Accrued liabilities		1,655
		1,655
<b>Net cash provided by operating activities</b>	<b>\$</b>	<b>55,716</b>

#### Cash Flows from Investing Activities

Purchase of equipment	\$	(2,690)
Purchase of furniture & fixed assets		-
Security deposits		-
Trademarks		(149)
		(149)
<b>Net cash used by investing activities</b>	<b>\$</b>	<b>(2,839)</b>

<b>Net increase in cash and cash equivalents</b>	<b>\$</b>	<b>52,877</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>993,705</b>
<b>Cash and cash equivalents at end of the period</b>	<b>\$</b>	<b>1,046,582</b>

# Notes to the Financial Statements

## NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Student LunchBox, Inc. (collectively referred to as the “Organization,” “SLB,” “we,” or “us”) is a Los Angeles–based nonprofit corporation recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization is dedicated to sourcing and distributing nutritious food and essential supplies that directly support the well-being, stability, and academic focus of post-secondary education students and their dependents.

## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The Organization generally prepares its financial statements on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

### Cash and Cash Equivalents

The Organization considers depository accounts to be cash and cash equivalents, including balances held in non-traditional financial institutions, including those used to facilitate the receipt and collection of monetary donations to the Organization.

The Organization maintains cash deposits with financial institutions, including Insured Cash Sweep (ICS) accounts for deposits that exceed \$250,000.00 per account, and are insured by the Federal Deposit Insurance Corporation (FDIC). As of the issue date of the current financial statements on December 31, 2025, SLB held cash deposit balances with financial institutions within insurable limits, deeming the risk to such balances to be low or non-existent.

### Financial Statement Presentation

Revenues and support are classified based on the presence or absence of donor restrictions and are reported in the following net asset categories:

- a) Net assets without donor restrictions represent the portion of net assets that are not subject to donor-imposed restrictions.
- b) Net assets with donor restrictions are from contributions that are restricted by donors for specific purposes or time periods. Some donor restrictions are temporary in nature and others are perpetual.

### Assets and Liabilities

The Organization has identified current receivables categorized as Collectible Balances based on whether we expect to convert the receivable balance into a cash deposit within a period of twelve (12) months or less as of the Statement of Financial Position (Balance Sheet) date. Collectible Balances represent monetary and non-monetary donations received through non-financial institutions, are considered to be “in transit”, and may not be considered cash deposits. As of the date of the current financial statements for the year ended December 31, 2025, we show a Collectible Balance of \$583.

In addition, SLB recognizes Equipment, Furniture & Fixtures balances of \$105,772, corresponding to durable, depreciable assets acquired and held by the Organization for its use and support of operations. These assets are depreciated on a periodic basis in accordance with standard business practices and applicable guidance. The total accumulated depreciation as of December 31, 2025, is \$53,245, resulting in a net equipment value of \$52,527.

### Government Grants and Contracts

Government grants and contracts are evaluated to determine whether they represent a contribution or an exchange transaction. Funds from Government grants and contracts the Organization receives are conditioned upon the incurrence of eligible expenses and, therefore, are accounted for as conditional contributions. When eligible expenditures, as defined in each grant agreement, are incurred, the contribution becomes unconditional, and the revenue is recognized. Expenditures under government grants and contracts are subject to review by the granting authority. If, as a result of such a review, expenditures are determined to be unallowable, the disallowance will be recorded at the time the refund assessment is made.

Conditional contributions received as of December 31, 2025 are a total of \$20,000:

- a) In August of 2024, the Trustees of the California State University awarded SLB a \$20,000 grant under its 2024-2026 CSU Community Partnership Initiative, with \$10,000 being disbursed upon execution of the Grant Agreement during 2024, and the next \$10,000 were disbursed in July of 2025, subject to the fulfillment of certain Grant Agreement requirements. The Grant funds are being used for qualifying salaries and wages, vehicle expenses, and equipment purchases, as per the Grant Agreement.
- b) In 2025, Student LunchBox received a \$5,000 grant award from Supervisor Holly J. Mitchell, representing the Second Supervisorial District of Los Angeles County. Grant funds were designated to support students within the Second District and were restricted to eligible program-related expenses, including transportation and occupancy costs, in accordance with the terms of the grant agreement.
- c) During 2025, Student LunchBox received a \$5,000 Holiday Economic Opportunity Grant administered by the Pacific Asian Consortium in Employment (PACE) on behalf of the Los Angeles County Department of Economic Opportunity. The grant was awarded in response to economic impacts resulting from the COVID-19 pandemic and was restricted to eligible organizational and operational expenses, in accordance with the terms of the grant agreement. Grant funds were used to support approved costs, including nonprofit operations, payroll expenses, working capital, equipment or technology needs, and outstanding business expenses necessary to sustain ongoing operations.

### Revenue Recognition

The Organization follows GAAP guidance for revenue recognition under the accrual method of accounting. Within this guidance, the organization recognizes revenue from cash and non-cash streams using the available fair value under ASU No. 2016-14, Topic 958.

Under this guidance, SLB includes the Fair Value of volunteer hours related to skilled labor that the organization would otherwise have been required to hire for pay, as well as volunteer hours related to value-added for assets the organization owns and benefited from, thereby increasing the overall value of those assets.

<b>Description of Volunteer Task</b>	<b>Total Hours</b>	<b>Market Rate</b>	<b>Total FMV \$-HRS</b>	<b>Comments</b>
Controller	150	\$ 70	\$ 10,500	average market rate
Food pantry sourcing & operations consulting	243	\$ 25	\$ 6,075	average market rate
<b>Total</b>	<b>393</b>	<b>\$ 95</b>	<b>\$ 16,575</b>	

## In-Kind Food Contributions

In addition, the organization recognizes as revenue the Fair Value of in-kind donations of food and other essential supplies. Total recovered and donated food was \$1,904,987 and \$1,275,867 for the years ending December 31, 2025, and December 31, 2024, respectively. The donated food is recorded in the financial statement as In-Kind Donations (FVM) under non-cash contributions and as Cost of Goods Distributed (FVM) under expenses (SLB's food and non-food resource distribution to students at partner colleges) at the fair value of the estimated average for one pound of distributed food product at the national level of \$1.92 for 2025. These values are based on studies performed by Feeding America. When the next study becomes available, SLB will use it to determine its estimated FMV rates.

A detail of the fair value revenue of in-kind distributions for the year ended December 31, 2025, is as follows:

School Name	Food Provided (Lbs.)	Fair Value (\$ US)
California State University, Dominguez Hills	61,166	\$117,438
California State University, Long Beach	135,588	260,329
California State University, Los Angeles	69,588	133,608
California State University, Northridge	37,478	71,957
CBD College	20,459	39,281
Charles R. Drew University of Medicine and Science	46,468	89,218
Emerson College, Los Angeles Center	36,564	70,203
Ithaca College, Los Angeles	4,446	8,536
James Madison University, Los Angeles	1,466	2,814
Los Angeles City College	210,342	403,857
Los Angeles Mission College	60,382	115,934
Los Angeles Valley College	73,252	140,644
Los Angeles Pierce College	153,576	294,866
Montclair State University, Los Angeles Center	2,128	4,086
New York University, Los Angeles	8,509	16,338
University of California, Los Angeles	58,379	112,088
University of Texas, Los Angeles	2,831	5,436
General Food Pantry Programs	9,559	18,354
<b>Total</b>	<b>979,790</b>	<b>\$ 1,904,987</b>

## Valuation of Non-Food In-Kind Contributions

Non-food in-kind donations are recorded at their estimated fair value at the date of receipt. For donated non-food essential goods, the Organization applies a standardized valuation rate of \$4.50 per unit, consistently used to promote comparability and uniformity in financial reporting. In certain cases, donated goods are received from nonprofit or institutional donors that provide documentation or receipts establishing the fair value of the contribution. When such third-party valuation documentation is available, the Organization records the donated goods at the value indicated on the donor-provided receipt. The total value of non-food essential goods was \$314,974.

## Income Taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under 501 (c)(3) of the U.S. Internal Revenue Code. It is also exempt from state income tax. However, any unrelated business income may be subject to taxation.

SLB follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by SLB for uncertain tax positions as of December 31, 2025. SLB's tax returns are subject to review and examination by federal and state taxing authorities.

#### New Accounting Pronouncement Adopted in the Current Year

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Measurement of Financial Instruments – Credit Losses (topic 326)*. The ASU has introduced a new credit loss methodology, Current Expected Credit Losses (CECL), that requires earlier recognition of credit losses and provides additional transparency into credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology uses a lifetime “expected credit loss” measurement objective to recognize credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple impairment methods in current GAAP, which generally require a loss to be incurred before it is recognized. On January 1, 2024, SLB adopted the standard prospectively, and the implementation did not have a material impact on the financial statements.

#### NOTE 3 – AVAILABILITY AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other commitments. The Organization has various sources of liquidity, including cash and cash equivalents, and accounts receivable.

For the purpose of analyzing resources available to meet general expenditures within one year of the statement of financial position, SLB considers all expenditures related to the ongoing activities of its program services, as well as the services undertaken to support those activities, to be general expenditures.

Financial assets available for general expenditure within one year of the statement of financial position date are as follows:

	<u>2025</u>
Current financial assets:	
Cash, cash equivalents and restricted funds	\$ 1,046,582
Accounts receivable	583
Less amounts unavailable for general expenditures within one year:	
Other	-
Total financial assets available for general expenditure within one year	<u>\$ 1,047,165</u>

#### NOTE 4 – NET ASSETS WITH RESTRICTIONS

The Organization did not recognize additional restricted assets during 2025.

#### NOTE 5 – FUNCTIONAL EXPENSES

The cost of providing programs and supporting activities has been summarized on a functional basis in the tables below for the year ended December 31, 2025. Expenses directly attributable to a specific functional activity of the Organization are reported as expenses of those functional activities. There are no indirect expenses that require allocation between activities. Below is the Statement of Functional Expenses for the year ended December 31, 2025.

**Statement of Functional Expenses**  
**For the Twelve Months Ended December 31, 2025**

	Program Expenses	Support Expenses	Total Expenses
Cost of In-Kind Goods Distributed (FMV)	\$ 2,219,961	\$ -	\$ 2,219,961
Cost of Purchased Goods Distributed	232	\$ -	\$ 232
Total Cost of Goods Distributed	\$ 2,220,193	\$ -	\$ 2,220,193
Operating Expenses			
Salaries, benefits & taxes	\$ 62,531	\$ 15,633	\$ 78,164
Professional services	12,211	7,765	19,976
Vehicle expenses	8,655	-	8,655
Travel	8,966	25	8,991
Occupancy and office expenses	24,978	5,000	29,978
IT-related office expenses	3,455	864	4,319
Utilities & Maintenance	5,775	1,019	6,794
Advertising and marketing	5,964	153	6,117
Insurance	7,546	969	8,515
Taxes & Licenses	-	329	329
Total Operating Expenses	\$ 140,081	\$ 31,757	\$ 171,838
Depreciation Expense, Net (Current Year)	17,906	26	17,932
Total Operating & Depreciation Expenses	\$ 157,987	\$ 31,783	\$ 189,770
<b>Total Expenses</b>	<b>\$ 2,378,180</b>	<b>\$ 31,783</b>	<b>\$ 2,409,963</b>
Purchases of Long-Term Assets			
Equipment	\$ 2,690	\$ -	\$ 2,690
Furniture	-	-	-
Trademarks	-	149	149
Total Purchases of Long-Term Assets	\$ 2,690	\$ 149	\$ 2,839
<b>Total Expenses &amp; Purchases</b>	<b>\$ 2,380,870</b>	<b>\$ 31,932</b>	<b>\$ 2,412,802</b>

**NOTE 6 – ENVIRONMENTAL AND SOCIAL RESPONSIBILITY UPDATE**

During the year ended December 31, 2025, Student LunchBox advanced its environmental and social responsibility objectives through large-scale food recovery, equitable resource distribution, and community-based operational support. The organization served 153,395 student visits (53,671 unduplicated students) across 17 partner campuses in Los Angeles County, expanding the Closet Initiative from 2 to 10 campuses and increasing the frequency of mobile market distributions during periods of heightened need.

In 2025, Student LunchBox distributed 992,180 pounds of food, meeting its annual distribution goal of 900,000 pounds. Food distributions included fresh produce, protein, and a variety of grocery items, supporting consistent access to nutritious meals for students. In addition, the Closet Initiative provided more than \$314,974 in essential non-food items, including clothing, toiletries, and hygiene products, contributing to student stability and well-being.

These food recovery and redistribution activities generated measurable environmental benefits. During the reporting period, Student LunchBox diverted an estimated 490.48 metric tons of CO<sub>2</sub>e from landfills, equivalent to approximately 1.25 million miles driven by an average gasoline-powered passenger vehicle. The organization also conserved an estimated 66.41 million gallons of water, comparable to the volume of 101 Olympic-size swimming pools, reinforcing its commitment to sustainable food systems and waste reduction.

Operational capacity was supported through coordinated community engagement. 563 Student LunchBox student volunteers contributed 5,701 hours supporting logistics, warehouse operations, outreach, and mobile market distributions. In parallel, over 90 campus staff, student ambassadors, and volunteers provided weekly support totaling 5,640 hours across partner campuses. These combined efforts reduced food waste, strengthened distribution efficiency, and ensured consistent, equitable access to resources throughout the year.

#### NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through January 16, 2026, the date on which the financial statements were available for issue, and has concluded that there have been no additional events or transactions requiring disclosure.

#### BOARD REVIEW AND APPROVAL

The financial statements have been reviewed and approved by the Student LunchBox Board of Directors.

Armine Badalyan *Armine Badalyan* Jan 17 2026

Laurie Settle *Laurie Settle* Jan 17 2026

Maggie Gisell *Maggie Gisell* Jan 17 2026

Kelly Alarcon *Kelly Alarcon* Jan 17 2026

Marco Gonzalez *Marco Gonzalez* Jan 19 2026