



**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**December 31, 2024 and 2023**

**THE RIVER FOOD PANTRY, INC.**

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**December 31, 2024 and 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The River Food Pantry, Inc.  
Madison, Wisconsin

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of The River Food Pantry, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of The River Food Pantry, Inc. as of December 31, 2024 and 2023, 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 (GAAS) 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 River Food Pantry, Inc. 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 River Food Pantry, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 River Food Pantry, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The River Food Pantry, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



### **Other Reporting Required by Government Auditing Standards**

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

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
May 23, 2025

**THE RIVER FOOD PANTRY, INC.**  
**Madison, Wisconsin**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2024 and 2023**

	2024	2023
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Restricted Cash	\$ 5,349,673	\$ 2,865,127
Certificates of Deposit	951,988	1,420,464
Promises to Give, Due Within One Year	1,690,347	1,016,091
Accounts Receivable	3,111	32,723
Grants Receivable	1,117,600	1,518,040
Amounts Held in Escrow	-	125,000
Prepaid Expenses	26,002	71,991
Inventory	-	1,936
Total Current Assets	9,138,721	7,051,372
<u>Property and Equipment</u>		
Property and Equipment, Net	3,293,574	791,772
Total Property and Equipment	3,293,574	791,772
<u>Other Assets</u>		
Promises to Give Due in More than One Year, Net	844,300	1,359,572
Operating Lease Right-of-Use Asset	-	58,321
Finance Lease Right-of-Use Asset	24,559	-
Total Other Assets	868,859	1,417,893
 TOTAL ASSETS	 \$ 13,301,154	 \$ 9,261,037
	<hr/>	<hr/>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 710,179	\$ 103,823
Accrued Payroll and Related Expenses	149,117	96,566
Refundable Advance	20,000	-
Operating Lease Liability, Due Within One Year	-	60,078
Finance Lease Liability, Due Within One Year	5,335	-
Total Current Liabilities	884,631	260,467
<u>Long-term Liabilities</u>		
Finance Lease Liability, Due in More Than One Year	19,574	-
Notes Payable	400,000	-
Total Long-term Liabilities	419,574	-
<u>Net Assets</u>		
Net Assets with Donor Restrictions	7,470,400	5,803,526
Net Assets without Donor Restrictions	4,526,549	3,197,044
Total Net Assets	11,996,949	9,000,570
 TOTAL LIABILITIES AND NET ASSETS	 \$ 13,301,154	 \$ 9,261,037
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The accompanying notes are an integral part of these financial statements

**THE RIVER FOOD PANTRY, INC.**  
**Madison, Wisconsin**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended December 31, 2024 and 2023**

	2024			2023		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
<u>Support and Revenues</u>						
Contributed Nonfinancial Assets	\$ 7,937,007	\$ -	\$ 7,937,007	\$ 9,783,560	\$ -	\$ 9,783,560
Contributions	2,134,405	2,929,930	5,064,335	2,426,087	4,303,526	6,729,613
Government Grants	51,440	1,122,865	1,174,305	15,907	-	15,907
Sales to Others	31,949	-	31,949	56,366	-	56,366
Interest Income	115,844	-	115,844	21,476	-	21,476
Unrealized Gain (Loss) on Investments	-	-	-	12	-	12
Miscellaneous Income	36,575	-	36,575	-	-	-
Net Assets Released From Restrictions	2,385,921	(2,385,921)	-	540,680	(540,680)	-
Total Support and Revenues	<u>12,693,141</u>	<u>1,666,874</u>	<u>14,360,015</u>	<u>12,844,088</u>	<u>3,762,846</u>	<u>16,606,934</u>
<u>Expenses</u>						
Food Pantry	10,516,691	-	10,516,691	12,072,006	-	12,072,006
Management & General	407,062	-	407,062	300,399	-	300,399
Fundraising	439,883	-	439,883	492,628	-	492,628
Total Expenses	<u>11,363,636</u>	<u>-</u>	<u>11,363,636</u>	<u>12,865,033</u>	<u>-</u>	<u>12,865,033</u>
Total Change in Net Assets	1,329,505	1,666,874	2,996,379	(20,945)	3,762,846	3,741,901
Net Assets at Beginning of Year	<u>3,197,044</u>	<u>5,803,526</u>	<u>9,000,570</u>	<u>3,217,989</u>	<u>2,040,680</u>	<u>5,258,669</u>
Net Assets at End of Year	<u>\$ 4,526,549</u>	<u>\$ 7,470,400</u>	<u>\$ 11,996,949</u>	<u>\$ 3,197,044</u>	<u>\$ 5,803,526</u>	<u>\$ 9,000,570</u>

The accompanying notes are an integral part of these financial statements

**THE RIVER FOOD PANTRY, INC.**  
**Madison, Wisconsin**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2024**

	Food Pantry	Management & General	Fundraising	Total
Assistance - Food	\$ 7,903,435	\$ -	\$ -	\$ 7,903,435
Assistance - Clothing	1,001,932	-	-	1,001,932
Personnel	1,288,216	120,185	309,047	1,717,448
Lease Expense	59,156	1,361	1,361	61,878
Office and Program Supplies	18,488	11,108	-	29,596
Professional Services	-	214,128	57,500	271,628
Capital Campaign Consulting	-	-	7,305	7,305
Insurance	31,460	2,936	7,550	41,946
Utilities	35,387	814	814	37,015
Office Expenses	-	19,231	-	19,231
Vehicles	36,498	3,407	8,760	48,665
Marketing and Promotion	-	4,193	12,446	16,639
Printing and Postage	10,599	989	2,543	14,131
Repairs and Maintenance	28,029	645	645	29,319
Volunteer Supplies	400	-	-	400
Depreciation Expense	95,014	2,186	2,186	99,386
Telephone	7,859	181	181	8,221
Travel	218	-	-	218
Miscellaneous	-	25,698	29,545	55,243
	<u>\$ 10,516,691</u>	<u>\$ 407,062</u>	<u>\$ 439,883</u>	<u>\$ 11,363,636</u>

The accompanying notes are an integral part of these financial statements

**THE RIVER FOOD PANTRY, INC.**  
**Madison, Wisconsin**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2023**

	Food Pantry	Management & General	Fundraising	Total
Assistance - Food	\$ 9,385,314	\$ -	\$ -	\$ 9,385,314
Assistance - Clothing	1,301,436	-	-	1,301,436
Personnel	1,059,412	114,531	257,695	1,431,638
Lease Expense	56,548	1,301	1,301	59,150
Office and Program Supplies	28,937	20,024	617	49,578
Professional Services	-	101,267	183,314	284,581
Insurance	25,687	2,777	6,248	34,712
Utilities	40,156	924	924	42,004
Office Expenses	-	27,915	-	27,915
Vehicles	51,195	5,535	12,453	69,183
Marketing and Promotion	-	-	23,507	23,507
Printing and Postage	10,765	1,164	2,618	14,547
Repairs and Maintenance	29,344	675	675	30,694
Volunteer Supplies	146	-	-	146
Depreciation Expense	76,874	1,769	1,769	80,412
Telephone	6,099	659	1,484	8,242
Travel	93	10	23	126
Miscellaneous	-	21,848	-	21,848
	<u>\$ 12,072,006</u>	<u>\$ 300,399</u>	<u>\$ 492,628</u>	<u>\$ 12,865,033</u>

The accompanying notes are an integral part of these financial statements

**THE RIVER FOOD PANTRY, INC.**  
**Madison, Wisconsin**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 2,996,379	\$ 3,741,901
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	99,386	80,412
Amortization of Right-of-Use Assets	3,778	-
Loss on Disposal of Fixed Assets	5,648	2,448
Changes in operating assets and liabilities:		
Promises to Give	(158,984)	(2,273,163)
Accounts Receivable	29,612	(19,269)
Grants Receivable	400,440	93,646
Amounts Held in Escrow	125,000	(125,000)
Prepaid Expenses	45,989	(49,136)
Inventory	1,936	-
Operating Lease Assets and Liabilities	(1,757)	17
Accounts Payable	606,356	49,900
Accrued Payroll and Related Expenses	52,551	23,628
Refundable Advance	20,000	(470,334)
Net cash provided (used) by operating activities	<u>4,226,334</u>	<u>1,055,050</u>
<u>Cash Flows from Investing Activities:</u>		
Proceeds from Redemption of Certificates of Deposit	1,066,750	503,249
Purchases of Certificates of Deposit	(566,189)	(250,000)
Interest Retained in Certificates of Deposit	(32,085)	(15,840)
Purchases of Property and Equipment	(2,760,353)	(451,636)
Proceeds from Sale of Equipment	153,517	-
Net cash provided (used) by investing activities	<u>(2,138,360)</u>	<u>(214,227)</u>
<u>Cash Flows from Financing Activities:</u>		
Proceeds from Loan Payable	400,000	-
Payments on Finance Lease Liability	(3,428)	-
Net cash provided (used) by financing activities	<u>396,572</u>	<u>-</u>
Net (Decrease) Increase in Cash	2,484,546	840,823
Cash and Cash Equivalents at Beginning of Year	<u>2,865,127</u>	<u>2,024,304</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 5,349,673</u></u>	<u><u>\$ 2,865,127</u></u>
<u>Supplemental Disclosure for Non-cash Investing and Financing Activity</u>		
Lease liabilities arising from obtaining right-of-use assets	\$ 28,337	\$ -

The accompanying notes are an integral part of these financial statements

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

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**1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business**

The River Food Pantry, Inc. ("The River") is a 501(c)(3) nonprofit organization incorporated in 2006. The River is a volunteer-driven, community-funded organization that provides food, resources, and faith to build a stronger community. Programs include groceries, hot nutritious meals, clothing, and a mobile lunch program for children when they are not in school. The River treats those served with respect and builds them up through hope and encouragement. The River is primarily funded by donated food, materials, facilities, and services and contributions.

**Basis of Presentation**

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of The River and changes therein are classified and reported as follows:

**Net Assets with Donor Restrictions** – Consist of net assets that are subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit The River's choices of when to use these resources. Additionally, the investment held at The River is considered to be restricted. See note 11 for additional information.

**Net Assets without Donor Restrictions** – Consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of The River and include those expendable resources which have been designated for special use by The River's Board of Directors, if any.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, The River considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. The unconditional promises to give of The River are considered to be fully collectible. Accordingly, no allowance for doubtful accounts is presented. If amounts become uncollectible, they will be charged to operation when that determination is made.

Conditional promises to give are recognized only when the condition on which they depend are substantially met and the promises become unconditional. There were no conditional promises to give as of December 31, 2024 and 2023.

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

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**1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equipment and Depreciation**

Property and equipment are carried at cost if purchased or fair market value at the date of gift if donated. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Property and equipment is defined as an item which has a cost of \$2,500 or more and a useful life extending beyond one year.

**Right-of-Use Lease Assets and Liabilities**

Right-of-use leased assets and the related liabilities are recognized at the lease commencement date and represent The River's right to use an underlying asset and lease obligations for the lease term. Right-of-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-of-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

**Inventories**

Inventory is comprised of recipe books and merchandise held for sale and is stated at the lower of cost or market determined by the first in – first out method. No allowance for inventory obsolescence has been recorded at December 31, 2024 and 2023.

**Grants**

The River receives grants from government agencies and others that are conditioned upon The River incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by The River, both a grant receivable and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions. Grants receivable are due within one year. Grants receivable are considered to be fully collectible. Accordingly, no allowance for doubtful accounts is presented. If amounts become uncollectible, they will be charged to operations when that determination is made.

The River has one grant that is conditioned upon The River incurring qualifying expenses under the agreement. At December 31, 2024, the remaining amount of the conditional grant to be received totaled \$250,000. There were no conditional grants outstanding as of December 31, 2023.

**Contributions**

Contributions are recognized when the donor makes a promise to give to The River that is, in substance, unconditional. Contributions received are recorded as revenue with or without donor restriction, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

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**1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributed Nonfinancial Assets**

Contributed nonfinancial assets include donated food, clothing, pantry supplies, and professional services which are recorded at their fair value at the date they are received. Contributed services are recorded in the financial statements to the extent that those services create or enhance a nonfinancial asset or meet the following criteria: 1) the service requires specialized skills, b) the service is provided by individuals who possess those skills, and c) the service would typically need to be purchased if not contributed. Many individuals volunteer their time and perform a variety of tasks that assist The River with programs throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. Based on a national study of volunteers, the value of the unrecognized volunteer time is estimated for December 31, 2024 and 2023 to be approximately \$1,433,696 and \$1,313,499, respectively.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Costs are directly charged to the functions they benefit when possible. Certain costs have been allocated among the programs and supporting activities. The expenses that are allocated on the basis of time and effort include personnel, certain office and program supplies, vehicles, telephone, insurance, dues and subscriptions, depreciation, travel, and printing and postage. The expenses that are allocated on the basis of square footage include rent, certain office and program supplies, utilities, and repairs and maintenance. The remaining expenses are specifically allocated whenever practical. The costs of providing the various programs and other activities can be found in the statements of functional expenses.

The following program service and supporting activities are included in the accompanying financial statements:

Food pantry - The River Food Pantry, Inc., serving over 1,000 diverse households each week, is South Central Wisconsin's busiest food pantry. Its services include free groceries for curbside pickup or delivery, freshly prepared to-go meals, and mobile lunches for children and families in low-income neighborhoods. More than just a food pantry, it builds community by offering opportunities to serve, donate, and collaborate. It is also partnered with local organizations to minimize food waste and improve access to reliable sources of food. Since opening in 2006, its vision is to achieve a fully nourished community.

Management and general - Includes the functions necessary to ensure an adequate working environment, proper administration of activities, and manage the financial and budgetary responsibilities of The River.

Fundraising - Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

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**1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The River is a nonprofit corporation, incorporated under the Wisconsin Nonstock Corporation Law (Chapter 181 of the Wisconsin Statutes). The River is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and from Wisconsin franchise or income tax. In addition, The River qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The River evaluates its uncertain tax positions in accordance with professional standards. For the year ended 2024, The River believes all tax positions to be highly certain.

The River's federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, The River is no longer subject to such examinations for years before 2021.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Advertising**

The River uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. Advertising expenses for December 31, 2024 and 2023 were \$9,344 and \$17,121, respectively.

**Debt Issuance Costs**

Debt issuance costs are amortized over the period the related obligation is outstanding using the effective interest method. Debt issuance costs are included within long-term debt in the statements of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying financial statements.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**Date of Management's Review**

Management has evaluated subsequent events through May 23, 2025, the date which the financial statements were available to be issued.

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**2. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The River monitors its liquidity so that it is able to meet its operating needs. Financial assets are not considered available when not liquid or not convertible into cash within one year, are assets held for others, assets restricted by donors for specific uses, perpetual endowments and accumulated earnings net of appropriations within one year, or because the Board of Directors has designated funds for specific reserves.

The following table reflects The River's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general expenditure within one year.

	2024	2023
Cash and Restricted Cash	\$ 5,349,673	\$ 2,865,127
Certificates of Deposit	951,988	1,420,464
Accounts Receivable	3,111	32,723
Promises to Give	2,534,647	2,375,663
Grants Receivable	1,117,600	1,518,040
Total Financial Assets	9,957,019	8,212,017
Less Those Unavailable For General Expenditure Within One Year Due To:		
Net Assets with Donor Restrictions	(7,470,400)	(5,803,526)
Unemployment Reserve	(9,945)	(7,021)
	(7,480,345)	(5,810,547)
Financial Assets Available To Meet Cash Needs For Expenditures Within One Year	\$ 2,476,674	\$ 2,401,470

**3. CASH AND RESTRICTED CASH**

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that equal the total amounts on the statements of cash flows as of December 31:

	2024	2023
Cash and Cash Equivalents	\$ 5,339,728	\$ 2,858,106
Cash Restricted for Unemployment Reserve Fund	9,945	7,021
Total Cash and Restricted Cash	\$ 5,349,673	\$ 2,865,127

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**4. CONCENTRATION OF CREDIT RISK**

Financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents. Deposits in each local and area bank are insured by the FDIC (Federal Deposit Insurance Corporation) in the amount of \$250,000 and in each local credit union are insured by the NCUSIF (National Credit Union Share Insurance Fund) in the amount of \$250,000. At December 31, 2024 and 2023 The River had uninsured balances with the financial institutions of \$5,424,564 and \$3,555,961, respectively.

**5. UNEMPLOYMENT RESERVE FUND**

The River has elected the reimbursement method to finance the cost of unemployment compensation benefits. Under this method, unemployment compensation expense is charged to operations when paid or when the amount of claims can be reasonably estimated. In order to guarantee payment of eligible benefits, the Treasurer of the Wisconsin Unemployment Reserve Fund requires The River to have a reserve totaling \$6,838 available. The River has two separate checking accounts to comply with this requirement.

**6. UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at December 31, 2024 and 2023 are as follows:

	2024	2023
Within one year	\$ 1,690,347	\$ 1,016,091
In one to five years	891,755	1,435,425
	2,582,102	2,451,516
Less discount to net present value	(47,455)	(75,853)
Net unconditional promises to give	<u>\$ 2,534,647</u>	<u>\$ 2,375,663</u>

**7. PROPERTY AND EQUIPMENT**

A summary of fixed assets for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Nondepreciable Assets:		
Land	\$ 943,572	\$ -
Construction work in progress	1,840,707	185,758
Total Nondepreciable Assets	<u>2,784,279</u>	<u>185,758</u>
Depreciable Assets:		
Leasehold improvements	195,447	195,447
Equipment	476,965	468,650
Vehicles	494,716	509,039
Website	8,400	8,400
	<u>1,175,528</u>	<u>1,181,536</u>
Less: Accumulated Depreciation	(666,233)	(575,522)
Total Depreciable Assets	<u>509,295</u>	<u>606,014</u>
Property and Equipment, Net	<u>\$ 3,293,574</u>	<u>\$ 791,772</u>

Depreciation expense was \$99,386 for 2024 and \$80,412 for 2023.

**THE RIVER FOOD PANTRY, INC.**  
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**8. NOTES PAYABLE**

Notes payable consist of the following at December 31, 2024:

	2024	2023
\$400,000 Deferred CDBG Loan, 0% interest	\$ 400,000	\$ -
	<u>\$ 400,000</u>	<u>\$ -</u>

Funds from the CDBG loan were used to partially finance the purchase of the site for the new food pantry facility. Repayment of the loan is required only upon the sale or transfer of the property, or a change or discontinuance in the use permitted under the loan agreement.

On November 13, 2023, The River secured a construction loan commitment through a local financial institution. Draws on the loan will be made to finance construction of a new food pantry facility. The maximum amount of the loan is \$5,900,000 with a variable interest rate at .65% plus the prime interest rate. The loan will be secured by a first mortgage on the property owned by The River. No amounts have been drawn from the loan as of December 31, 2024.

**9. CONTRIBUTED NONFINANCIAL ASSETS**

In 2024 and 2023, the donated food was valued at \$2.20 and \$2.68 per pound, respectively. In 2024 and 2023, the donated used clothing was valued at \$3.17 and \$5.25 per pound, respectively, and bulk donated new clothing was valued at its fair market value. The River's donated materials and services consist of the following:

	2024	2023
Food	\$ 6,931,621	\$ 8,476,800
Clothing	842,278	1,063,144
Other Goods	146,243	215,874
Office and Program Supplies	3,455	15,418
Building Maintenance	1,500	-
Professional Fees	11,910	7,000
Consulting Services	-	5,324
	<u>\$ 7,937,007</u>	<u>\$ 9,783,560</u>

Contributed food, clothing, goods, and supplies are used in The River's operations and programs. Contributed maintenance is used for upkeep of the facilities and is recognized as fair value of services provided. All other contributed professional services are used for food pantry and management and general activities and are recognized at fair value based on current rates for similar services.

**10. LEASES**

The River leases food pantry and office space and equipment under noncancelable operating and financing lease arrangements. The leases expire at various dates through 2029. Included in the determination of the right-of-use assets and lease liabilities are any renewal options when the options are reasonably certain to be exercised. The operating lease requires The River to maintain public liability insurance coverage.

**THE RIVER FOOD PANTRY, INC.**  
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**10. LEASES (CONTINUED)**

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, it is estimated using an applicable incremental borrowing rate. The incremental borrowing rate is estimated using applicable borrowing rates and the contractual lease term.

The River elected the practical expedient to not separate lease and non-lease components for office equipment leases.

The total lease costs for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Finance Lease Expenses		
Amortization of ROU assets	\$ 3,778	\$ -
Interest on lease liabilities	787	-
Operating Lease Cost	59,149	59,150

The following table summarizes the supplemental cash flow information for the years ended December 31, 2024 and 2023:

	2024	2023
Cash Paid For Amounts Included In The Measurement Of Lease Liabilities		
Operating cash flows from finance leases (i.e. Interest)	\$ 787	\$ -
Financing cash flows from finance leases (i.e. principal portion)	3,429	-
Operating Cash Flows From Operating Leases	60,906	59,132
Right-Of-Use Assets Obtained In Exchange For Lease Liabilities		
Finance Leases	\$ 28,337	\$ -

The weighted-average discount rate is 4.40% for the weighted-average remaining lease term of 1 year.

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2024:

December 31,	Finance
2025	\$ 6,324
2026	6,324
2027	6,324
2028	6,324
2029	2,108
Total Lease Payments	27,404
Less: Interest	(2,496)
Total Lease Liabilities	\$ 24,908

**THE RIVER FOOD PANTRY, INC.**  
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**11. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Restricted for a specified purpose:		
Food Pantry Programs	\$ 137,829	\$ 42,631
Capital Campaign	6,705,904	5,760,895
Restricted for a specified time period:		
Restricted for future periods	<u>626,667</u>	<u>-</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 7,470,400</u></u>	<u><u>\$ 5,803,526</u></u>

**12. COMMITMENTS**

On February 1, 2022 The River entered into a three-year agreement with Aberdeen Consulting LLC for information and technology services that requires monthly payments of \$1,201. This agreement was amended in January of 2025 and extended through January of 2028. Future minimum payments due under the contract are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 20,651
2026	21,218
2027	21,218
2028	1,768

In 2024, The River contracted with an firm for construction of the new food pantry facility. Total costs under the contract are approximately \$8,361,000. Total costs incurred through the end of 2024 were approximately \$1,309,000.

**13. SUBSEQUENT EVENTS**

In March of 2025, The River received a \$3,000,000 grant from the U.S. Department of Housing and Urban Development to pay for a portion of the construction costs of the new food pantry facility. A portion of the grant funds were used to finance construction costs incurred in 2024.