JOHNSON BLOCK CPAs

THE RIVER FOOD PANTRY

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

December 31, 2025 and 2024

THE RIVER FOOD PANTRY, INC.
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December 31, 2025 and 2024

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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, 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 accompanying financial statements present fairly, in all material respects, the financial position of The River Food Pantry, Inc. 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("*GAS*") 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.

JOHNSON BLOCK AND COMPANY, INC. | 9701 Brader Way, Suite 202, Middleton, WI 53562 | Phone: (608) 274-2002 | Fax: (608) 274-4320 JOHNSONBLOCK.COM

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 *GAS* 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 *GAS*, 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.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of The River Food Pantry, Inc. The Community Development Division (CDD) Schedule of Findings and Questioned Costs and Schedule of Real Property on pages 16-18 are presented for purposes of additional analysis and are not a required part of the financial statements.

The Community Development Division (CDD) Schedule of Findings and Questioned Costs and Schedule of Real Property are the responsibility of management and were derived from and relate 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Community Development Division (CDD) Schedule of Findings and Questioned Costs and Schedule of Real Property are 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 *GAS*, have also issued 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 *GAS* in considering The River Food Pantry, Inc.'s internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 14, 2026

THE RIVER FOOD PANTRY, INC.
Madison, Wisconsin
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and Restricted Cash	$ 3,059,568	$ 5,349,673
Certificates of Deposit	1,392,998	951,988
Promises to Give, Due Within One Year	705,221	1,690,347
Accounts Receivable	3,986	3,111
Grants Receivable	35,000	1,117,600
Prepaid Expenses	29,458	26,002
Total Current Assets	5,226,231	9,138,721
Property and Equipment		
Propery and Equipment, Net	10,746,941	3,293,574
Total Property and Equipment	10,746,941	3,293,574
Other Assets		
Promises to Give Due in More than One Year, Net	200,668	844,300
Finance Lease Right-of-Use Asset	18,891	24,559
Other Asset	14,701	-
Total Other Assets	234,260	868,859
TOTAL ASSETS	$ 16,207,432	$ 13,301,154
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 660,724	$ 710,179
Accrued Payroll and Related Expenses	73,595	149,117
Refundable Advance	-	20,000
Finance Lease Liability, Due Within One Year	5,574	5,335
Total Current Liabilities	739,893	884,631
Long-term Liabilities		
Finance Lease Liability, Due in More Than One Year	13,999	19,574
Notes Payable	400,000	400,000
Total Long-term Liabilities	413,999	419,574
Net Assets		
Net Assets with Donor Restrictions	1,414,309	7,470,400
Net Assets without Donor Restrictions	13,639,231	4,526,549
Total Net Assets	15,053,540	11,996,949
TOTAL LIABILITIES AND NET ASSETS	$ 16,207,432	$ 13,301,154

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, 2025 and 2024

	2025			2024		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Support and Revenues						
Contributed Nonfinancial Assets	$ 7,566,875	$ -	$ 7,566,875	$ 7,937,007	$ -	$ 7,937,007
Contributions	2,762,749	1,454,929	4,217,678	2,134,405	2,929,930	5,064,335
Government Grants	2,147,400	-	2,147,400	51,440	1,122,865	1,174,305
Event Income:						
Sponsorships and Donations	73,566	-	73,566	-	-	-
Ticket Sales	22,466	-	22,466	-	-	-
Auction Proceeds	10,097	-	10,097	-	-	-
Sales to Others	72,384	-	72,384	31,949	-	31,949
Interest Income	137,531	-	137,531	115,844	-	115,844
Unrealized Gain (Loss) on Investments	(1,135)	-	(1,135)	-	-	-
Miscellaneous Income	-	-	-	36,575	-	36,575
Net Assets Released From Restrictions	7,511,020	(7,511,020)	-	2,385,921	(2,385,921)	-
Total Support and Revenues	20,302,953	(6,056,091)	14,246,862	12,693,141	1,666,874	14,360,015
Expenses						
Food Pantry	10,279,063	-	10,279,063	10,516,691	-	10,516,691
Management & General	575,983	-	575,983	407,062	-	407,062
Fundraising	335,225	-	335,225	439,883	-	439,883
Total Expenses	11,190,271	-	11,190,271	11,363,636	-	11,363,636
Total Change in Net Assets	9,112,682	(6,056,091)	3,056,591	1,329,505	1,666,874	2,996,379
Net Assets at Beginning of Year	4,526,549	7,470,400	11,996,949	3,197,044	5,803,526	9,000,570
Net Assets at End of Year	$ 13,639,231	$ 1,414,309	$ 15,053,540	$ 4,526,549	$ 7,470,400	$ 11,996,949

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, 2025

	Food Pantry	Management & General	Fundraising	Total
Assistance - Food	$ 8,062,235	$ -	$ -	$ 8,062,235
Assistance - Nonfood	532,067	1,000	-	533,067
Personnel	1,293,761	158,091	300,495	1,752,347
Lease Expense	87,424	2,038	2,038	91,500
Office and Program Supplies	736	26,078	-	26,814
Professional Services	-	293,101	6,000	299,101
Capital Campaign Consulting	-	10,940	-	10,940
Insurance	28,443	3,421	6,606	38,470
Utilities	48,312	1,126	1,126	50,564
Office Expenses	-	16,159	-	16,159
Vehicles	31,989	3,847	7,430	43,266
Marketing and Promotion	1,315	6,680	4,380	12,375
Printing and Postage	12,481	1,501	2,899	16,881
Repairs and Maintenace	53,887	1,256	1,256	56,399
Volunteer Supplies	-	500	48	548
Depreciation Expense	104,736	2,442	2,442	109,620
Telephone	9,041	211	211	9,463
Travel	-	15	-	15
Miscellaneous	12,636	47,577	294	60,507
	$ 10,279,063	$ 575,983	$ 335,225	$ 11,190,271

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 - Nonfood	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 Maintenace	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
	$ 10,516,691	$ 407,062	$ 439,883	$ 11,363,636

THE RIVER FOOD PANTRY, INC.
Madison, Wisconsin
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	$ 3,056,591	$ 2,996,379
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	109,620	99,386
Amortization of Right-of-Use Assets	5,667	3,778
Loss on Disposal of Fixed Assets	607	5,648
Changes in operating assets and liabilities:		
Promises to Give	1,628,758	(158,984)
Accounts Receivable	(875)	29,612
Grants Receivable	1,082,600	400,440
Amounts Held in Escrow	-	125,000
Prepaid Expenses	(3,456)	45,989
Inventory	-	1,936
Operating Lease Assets and Liabilities	-	(1,757)
Accounts Payable	(49,455)	606,356
Accrued Payroll and Related Expenses	(75,522)	52,551
Refundable Advance	(20,000)	20,000
Net cash provided (used) by operating activities	5,734,535	4,226,334
Cash Flows from Investing Activities:		
Proceeds from Redemption of Certificates of Deposit	594,316	1,066,750
Purchases of Certificates of Deposit	(1,000,000)	(566,189)
Interest Retained in Certificates of Deposit	(31,726)	(32,085)
Purchases of Property and Equipment	(7,581,894)	(2,760,353)
Proceeds from Sale of Equipment	-	153,517
Net cash provided (used) by investing activities	(8,019,304)	(2,138,360)
Cash Flows from Financing Activities:		
Proceeds from Loan Payable	-	400,000
Payments on Finance Lease Liability	(5,336)	(3,428)
Net cash provided (used) by financing activities	(5,336)	396,572
Net (Decrease) Increase in Cash	(2,290,105)	2,484,546
Cash and Cash Equivalents at Beginning of Year	5,349,673	2,865,127
Cash and Cash Equivalents at End of Year	$ 3,059,568	$ 5,349,673
Supplemental Disclosure for Non-cash Investing and Financing Activity		
Lease liabilities arising from obtaining right-of-use assets	$ -	$ 28,337

The accompanying notes are an integral part of these financial statements

NOTE 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, nutritious hot 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, 2025 and 2024.

NOTE 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 $10,000 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 form 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.

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 had one grant that was conditioned upon The River incurring qualifying expenses under the agreement. There were no conditional grants outstanding as of December 31, 2025. At December 31, 2024, the remaining amount of the conditional grant to be received totaled $250,000.

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.

NOTE 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, 2025 and 2024 to be approximately $1,407,147 and $1,433,696, 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.

NOTE 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 2025, 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 2022.

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, 2025 and 2024 were $4,095 and $9,344, 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 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 July 14, 2026, the date which the financial statements were available to be issued.

NOTE 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, 2025 and 2024, reduced by amounts not available for general expenditure within one year.

	2025	2024
Cash and Restricted Cash	$ 3,059,568	$ 5,349,673
Certificates of Deposit	1,392,998	951,988
Accounts Receivable	3,986	3,111
Promises to Give, Net of Discount	905,889	2,534,647
Grants Receivable	35,000	1,117,600
Total Financial Assets	5,397,441	9,957,019
Less Those Unavailable For General Expenditure Within One Year Due To:		
Net Assets with Donor Restrictions	(1,414,309)	(7,470,400)
Unemployment Reserve	(8,241)	(9,945)
	(1,422,550)	(7,480,345)
Financial Assets Available To Meet Cash Needs For Expenditures Within One Year	$ 3,974,891	$ 2,476,674

NOTE 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:

	2025	2024
Cash and Cash Equivalents	$ 3,051,327	$ 5,339,728
Cash Restricted for Unemployment Reserve Fund	8,241	9,945
Total Cash and Restricted Cash	$ 3,059,568	$ 5,349,673

NOTE 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, 2025 The River had uninsured balances with the financial institutions of $2,767,113.

NOTE 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.

NOTE 6. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2025 and 2024 are as follows:

	2025	2024
Within one year	$ 705,221	$ 1,690,347
In one to five years	211,000	891,755
	916,221	2,582,102
Less discount to net present value	(10,332)	(47,455)
Net unconditional promises to give	$ 905,889	$ 2,534,647

NOTE 7. PROPERTY AND EQUIPMENT

A summary of fixed assets for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Nondepreciable Assets:		
Land	$ 943,572	$ 943,572
Construction work in progress	9,266,842	1,840,707
Total Nondepreciable Assets	10,210,414	2,784,279
Depreciable Assets:		
Leasehold improvements	195,447	195,447
Equipment	515,047	476,965
Vehicles	591,793	494,716
Website	8,400	8,400
	1,310,687	1,175,528
Less: Accumulated Depreciation	(774,160)	(666,233)
Total Depreciable Assets	536,527	509,295
Property and Equipment, Net	$ 10,746,941	$ 3,293,574

Depreciation expense was $109,620 for 2025 and $99,386 for 2024.

NOTE 8. NOTES PAYABLE

Notes payable consist of the following at December 31, 2025 and 2024:

	2025	2024
$400,000 Deferred CDBG Loan, 0% interest	$ 400,000	$ 400,000
	$ 400,000	$ 400,000

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 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, 2025. The loan was closed in early 2026 and no draws were made.

NOTE 9. CONTRIBUTED NONFINANCIAL ASSETS

In 2025 and 2024, the donated food was valued at $2.30 and $2.20 per pound, respectively. In 2025 and 2024, the donated used clothing and other goods were valued at $4.27 and $3.17 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:

	2025	2024
Food	$ 6,997,281	$ 6,931,621
Clothing	229,823	842,278
Other Goods	317,924	146,243
Office and Program Supplies	-	3,455
Building Maintenance	-	1,500
Professional Fees	11,162	11,910
Appliances	10,685	-
	$ 7,566,875	$ 7,937,007

Contributed food, clothing, goods, and supplies are used in The River's operations and programs. 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.

NOTE 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 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, 2025 and 2024 are as follows:

	2025	2024
Finance Lease Expenses		
Amortization of ROU assets	$ 5,667	$ 3,778
Interest on lease liabilities	989	787
Operating Lease Cost	-	59,149

NOTE 10. LEASES (CONTINUED)

The following table summarizes the supplemental cash flow information for the years ended December 31, 2025 and 2024:

	2025	2024
Cash Paid For Amounts Included In The Measurement Of Lease Liabilities		
Operating cash flows from finance leases (i.e. Interest)	$ 989	$ 787
Financing cash flows from finance leases (i.e. principal portion)	5,335	3,429
Operating Cash Flows From Operating Leases	-	60,906
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 4.33 years.

The future minimum lease payments under noncancelable finance leases with terms greater than one year are listed below as of December 31, 2025:

December 31,	Finance
2026	$ 6,324
2027	6,324
2028	6,324
2029	2,108
Total Lease Payments	21,080
Less: Interest	(1,507)
Total Lease Liabilities	$ 19,573

NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions for the year ended December 31, 2025 and 2024 were as follows:

	2025	2024
Restricted for time or purpose:		
Food Pantry Programs	$ 141,016	$ 137,829
Capital Campaign	870,626	6,705,904
Restricted for future periods	402,667	626,667
Total Net Assets with Donor Restrictions	$ 1,414,309	$ 7,470,400

NOTE 12. COMMITMENTS

On February 1, 2022 The River entered into a three-year agreement with a consulting firm 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:

Year	Amount
2026	$ 21,218
2027	21,218
2028	1,768

The River is purchasing a new refrigerated box truck. The chassis was purchased in December 2025 and the box and refrigeration is being installed in 2026. Total cost for the box is approximately $71,500.

In 2024, The River contracted with a firm for construction of the new food pantry facility. Total costs under the contract are approximately $8,664,000. Total costs incurred through the end of 2025 were approximately $8,647,000. The building was in use in early 2026.

NOTE 13. SUBSEQUENT EVENT

The River has agreed to a term sheet with a financial institution to access New Market Tax Credits. The total benefit has not yet been determined.

SUPPLEMENTARY INFORMATION

THE RIVER FOOD PANTRY, INC.
CDD SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2025

Summary of Auditor's Results

1. Was a Single Audit required?	Yes
What dollar threshold was used to distinguish between Type A and Type B programs as defined by the Single Audit?	$1,000,000
2. Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP?	Unmodified
3. Internal control over financial reporting:	
Were material weakness(es) identified?	Yes
Were reportable condition(s) identified not considered to be material weaknesses	None Reported
Was noncompliance material to the financial statements noted?	No
4. Internal control over major programs:	
Were material weakness(es) identified?	No
Were reportable condition(s) identified not considered to be material weaknesses?	Yes
5. Was the indirect cost allocation plan reasonable and acceptable per 2 CFR 200 Subpart E ("Cost Principles")?	Yes
6. Were the actual costs reasonable and allocated appropriately per 2 CFR 200 Subpart E ("Cost Principles")?	Yes
7. Were the costs allocated to the CDD contracts based on costs incurred, and are they supported by records and documents?	Yes
8. Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Subpart F ("Audit Requirements")	Yes
9. Does the audit include an identification of all federal revenue sources and dollar amounts by program?	Yes
10. Does the audit list any financial statement findings?	Yes
11. Does the audit list any federal and state award findings and questioned costs?	Yes
12. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?	No

THE RIVER FOOD PANTRY, INC.
CDD SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2025

13. Does the audit report identify any additional audit issues related to the Agency's CDD grants/contract?	No
14. Does the audit include the schedule of revenues and expenditures by program and revenue source?	Yes
15. Does the audit include the schedule of CDD funds expended by program?	No
16. Does the audit include the schedule of real property assets and the debt recorded against each property?	Yes
17. Was a Management Letter or other document conveying audit comments issued as a result of this audit?	Yes

Name and signature of partner: Brett Hofmeister, CPA

Date of Report: July 14, 2026

THE RIVER FOOD PANTRY, INC.
SCHEDULE OF REAL PROPERTY
December 31, 2025

Property Description	Land	Buildings	Total Property	Notes Payable	Deferred Loans	Total Debt
3301 Packers Ave	$ 943,572	$ 8,646,634	$ 9,590,206	$ -	$ 400,000	$ 400,000