

Feeding America Eastern Wisconsin, Inc.

Financial Statements and
Supplementary Information

June 30, 2024 and 2023

Feeding America Eastern Wisconsin, Inc.

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Independent Auditors' Report

To the Board of Directors of
Feeding America Eastern Wisconsin, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Feeding America Eastern Wisconsin, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2024 and 2023 and the related statements of activities, cash flows and functional expenses 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 Organization as of June 30, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and the Department of Health Services Cost Reimbursement Schedule, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
October 4, 2024

Feeding America Eastern Wisconsin, Inc.

Statements of Financial Position

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and equivalents	\$ 2,857,027	\$ 1,927,330
Accounts receivable	564,455	299,991
Grants receivable	450,863	2,845,549
Pledges receivable	130,000	120,000
Beneficial interest, Greater Milwaukee Foundation, current	4,247,084	3,786,112
Inventories, purchased	243,111	861,539
Inventories, donated	1,693,589	2,155,340
Inventories, United States Department of Agriculture (USDA)	10,477	1,765
Prepaid expenses and deposits	83,819	127,974
Prepaid purchased product	141,655	90,000
	<u>10,422,080</u>	<u>12,215,600</u>
Property and Equipment, Net	<u>9,185,999</u>	<u>9,691,683</u>
Other Assets		
Pledges receivable, long-term portion, net	11,582	13,809
Beneficial interest, Feeding America Eastern Wisconsin Foundation, Inc.	2,977,433	2,831,990
Beneficial interest, Greater Milwaukee Foundation	1,372,486	1,297,204
	<u>4,361,501</u>	<u>4,143,003</u>
Total assets	<u>\$ 23,969,580</u>	<u>\$ 26,050,286</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 339,031	\$ 1,012,240
Finance lease payable, current portion	169,770	169,210
Operating lease payable, current portion	15,063	15,105
Accrued compensation	311,876	188,344
Deferred revenue	121,091	245,567
	<u>956,831</u>	<u>1,630,466</u>
Noncurrent Liabilities		
Finance lease payable, long-term portion	579,175	748,996
Operating lease payable, long-term portion	10,335	24,852
	<u>589,510</u>	<u>773,848</u>
Total liabilities	<u>1,546,341</u>	<u>2,404,314</u>
Net Assets		
Without donor restrictions:		
Undesignated	11,961,389	14,652,651
Board designated	4,247,084	3,786,112
	<u>16,208,473</u>	<u>18,438,763</u>
With donor restrictions	<u>6,214,766</u>	<u>5,207,209</u>
Total net assets	<u>22,423,239</u>	<u>23,645,972</u>
Total liabilities and net assets	<u>\$ 23,969,580</u>	<u>\$ 26,050,286</u>

See notes to financial statements.

Feeding America Eastern Wisconsin, Inc.

Statements of Activities

Years Ended June 30, 2024 and 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023</u>
Revenue and Other Support						
Emergency food assistance program	\$ 292,840	\$ -	\$ 292,840	\$ 342,242	\$ -	\$ 342,242
SNAP outreach and other government grants	955,594	-	955,594	432,207	-	432,207
Contributions	8,287,525	2,614,950	10,902,475	8,172,828	1,751,021	9,923,849
Change in fair value of beneficial interest, Feeding America Eastern Wisconsin Foundation, Inc.	-	145,443	145,443	-	12,199	12,199
Change in fair value of beneficial interest, Greater Milwaukee Foundation	460,972	131,121	592,093	318,274	69,055	387,329
Special events	353,982	-	353,982	537,251	-	537,251
Purchased product sales	1,981,377	-	1,981,377	1,270,267	-	1,270,267
Donated product contributions	66,619,930	-	66,619,930	53,662,810	-	53,662,810
Tribal elder box contributions	1,762,008	-	1,762,008	-	-	-
USDA product contributions	-	5,086,951	5,086,951	-	3,388,253	3,388,253
Coronavirus Relief Fund grant revenue	2,308,112	-	2,308,112	9,578,982	-	9,578,982
Miscellaneous	180,711	-	180,711	253,479	-	253,479
Net assets released from restrictions	6,970,908	(6,970,908)	-	5,576,823	(5,576,823)	-
Total revenue and other support	<u>90,173,959</u>	<u>1,007,557</u>	<u>91,181,516</u>	<u>80,145,163</u>	<u>(356,295)</u>	<u>79,788,868</u>
Expenses						
Program	88,387,212	-	88,387,212	74,907,749	-	74,907,749
Management and general	1,225,369	-	1,225,369	1,017,363	-	1,017,363
Fundraising	2,791,668	-	2,791,668	2,404,651	-	2,404,651
Total expenses	<u>92,404,249</u>	<u>-</u>	<u>92,404,249</u>	<u>78,329,763</u>	<u>-</u>	<u>78,329,763</u>
Change in net assets	(2,230,290)	1,007,557	(1,222,733)	1,815,400	(356,295)	1,459,105
Net Assets, Beginning	<u>18,438,763</u>	<u>5,207,209</u>	<u>23,645,972</u>	<u>16,623,363</u>	<u>5,563,504</u>	<u>22,186,867</u>
Net Assets, Ending	<u>\$ 16,208,473</u>	<u>\$ 6,214,766</u>	<u>\$ 22,423,239</u>	<u>\$ 18,438,763</u>	<u>\$ 5,207,209</u>	<u>\$ 23,645,972</u>

See notes to financial statements

Feeding America Eastern Wisconsin, Inc.

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (1,222,733)	\$ 1,459,105
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	866,415	813,535
Gain on sale of property and equipment	-	(6,694)
Market change of beneficial interests	(737,536)	(399,528)
Credit losses	31,521	3,600
Lease costs	(14,559)	-
Inventories, donated	461,751	(1,038,190)
Inventories, USDA	(8,712)	18,941
Changes in assets and liabilities:		
Prepaid expenses and deposits	44,155	(11,668)
Prepaid purchased product	(51,655)	13,288
Accounts receivable	(295,985)	(226,477)
Grants receivable	2,394,686	(1,166,471)
Pledges receivable	(7,773)	255,558
Inventories, purchased	618,428	87,362
Accounts payable	(673,209)	468,175
Accrued compensation	123,532	11,652
Deferred revenue	(124,476)	108,733
Net cash flows from operating activities	<u>1,403,850</u>	<u>390,921</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	(360,731)	(618,972)
Proceeds from sale of property and equipment and assets held for sale	-	30,914
Distributions from Greater Milwaukee Foundation	55,839	48,209
Net cash flows from investing activities	<u>(304,892)</u>	<u>(539,849)</u>
Cash Flows From Financing Activities		
Finance lease payments	(169,261)	(150,623)
Net cash flows from financing activities	<u>(169,261)</u>	<u>(150,623)</u>
Net change in cash and equivalents	929,697	(299,551)
Cash and Equivalents, Beginning	<u>1,927,330</u>	<u>2,226,881</u>
Cash and Equivalents, Ending	<u>\$ 2,857,027</u>	<u>\$ 1,927,330</u>
Supplemental Cash Flow Disclosures		
Cash paid for interest	<u>\$ 62,020</u>	<u>\$ 63,280</u>
Noncash Investing and Financing Activities		
Property and equipment purchased with finance lease	<u>\$ -</u>	<u>\$ 180,820</u>
Property and equipment purchased with operating lease	<u>\$ -</u>	<u>\$ 16,515</u>

See notes to financial statements.

Feeding America Eastern Wisconsin, Inc.

Statements of Functional Expenses
Years Ended June 30, 2024 and 2023

	Program	Management and General	Fundraising	2024	Program	Management and General	Fundraising	2023
Salaries and benefits	\$ 4,457,916	\$ 805,808	\$ 1,451,346	\$ 6,715,070	\$ 3,872,264	\$ 662,365	\$ 1,150,427	\$ 5,685,056
Fund development	-	-	1,024,724	1,024,724	-	-	975,230	975,230
Staff development, travel and conferences	97,749	17,771	32,582	148,102	181,483	32,998	60,495	274,976
Occupancy	1,739,074	163,602	27,269	1,929,945	1,723,464	142,365	23,728	1,889,557
Office supplies and services	344,032	121,683	114,678	580,393	183,921	81,332	61,307	326,560
Dues and subscriptions	56,961	10,357	18,986	86,304	71,744	13,044	23,914	108,702
Transportation	424,980	16,581	497	442,058	405,412	883	147	406,442
Equipment and vehicle repair	131,700	-	-	131,700	149,557	-	-	149,557
Liability, building and vehicle insurance	162,363	22,217	3,703	188,283	158,906	21,444	3,574	183,924
Purchased product and procurement	2,563,475	1,103	-	2,564,578	1,452,089	577	-	1,452,666
Tribal elder box product	1,123,511	-	-	1,123,511	-	-	-	-
Community relations and marketing	280,026	47,268	81,512	408,806	293,627	50,469	85,201	429,297
Member services, DATCP infrastructure grants	4,135	-	-	4,135	2,173,058	-	-	2,173,058
Interest	56,641	1,713	3,141	61,495	64,224	-	-	64,224
Miscellaneous	228,141	17,266	28,058	273,465	189,794	11,886	20,628	222,308
Donated product	67,148,723	-	-	67,148,723	52,624,672	-	-	52,624,672
USDA product	5,063,582	-	-	5,063,582	3,407,194	-	-	3,407,194
Grants	1,916,737	-	5,172	1,921,909	842,495	-	-	842,495
DATCP product	2,587,466	-	-	2,587,466	7,113,845	-	-	7,113,845
Total expenses	\$ 88,387,212	\$ 1,225,369	\$ 2,791,668	\$ 92,404,249	\$ 74,907,749	\$ 1,017,363	\$ 2,404,651	\$ 78,329,763

See notes to financial statements

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

1. General

Feeding America Eastern Wisconsin, Inc. (the Organization) is the largest hunger relief organization in the state of Wisconsin with locations in Milwaukee and the Fox Valley. Founded in 1982 by the Rotary Club of Milwaukee, the Organization is a local and independent member of the Feeding America network. The Organization's mission is to solve hunger through collaboration with over 600-member organizations that serve nearly 400,000 people across 35 counties in Eastern Wisconsin.

2. Summary of Significant Accounting Policies

Tax Status

The Organization has qualified for exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. Donations to the Organization qualify for the charitable contribution deduction under section 170(b)(1)(A). Additionally, the Organization is classified as an organization that is not a private foundation under Section 509(a)(2). None of the Organization's current activities are subject to taxation as unrelated business income.

Basis of Accounting

The preparation of financial statements in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from these estimates and assumptions.

Basis of Presentation

Under U.S. GAAP, the Organization is required to report information regarding the financial position and activities according to two classes of net assets, defined as follows:

Net assets without donor restrictions. Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions. Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Certain net assets may be subject to donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. In most instances, earnings on these net assets are available to the Organization as revenue without restrictions. As the Organization is not the trustee on any of these net assets, it does not consider itself to have an endowment fund.

The Organization's Board of Directors has the ability to designate identified amounts of net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. The Organization's Board of Directors has designated \$4,247,084 and \$3,786,112 as of June 30, 2024 and 2023, respectively. The funds are designated as a reserve for unplanned expenditures and Board approved special projects.

Cash and Equivalents

The Organization defines cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Accounts Receivable

During 2023, the Organization assessed collectibility of amounts due prior to the recognition of revenues. Accounts receivable were recorded at net realizable value when the amounts are due in accordance with contracts with customers. Accounts were written-off through bad debt expense when the Organization has exhausted all collection efforts and determines accounts are impaired based on changes in credit worthiness. During the year ended June 30, 2023, \$3,600 of accounts receivable were written-off.

During 2024, the Organization recognizes an allowance for credit losses for trade and other receivables to present the net amount expected to be collected as of the statement of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on our expectation as of the statement of financial position date. Receivables are written off when the Organization determined that such receivables are deemed uncollectible. The Organization pools its receivables based on similar risk characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Organization measures those receivables individually. The Organization also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

The Organization utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Organization's historical loss experience. In determining its loss rates, the Organization evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: past due receivables, the customer creditworthiness, changes in the terms of receivables, effect of other external forces such as competition and legal and regulatory requirements on the level of estimated credit losses in the existing receivables. For receivables that are not expected to be collected within the normal business cycle, the Organization considers current and forecasted direction of the economic and business environment. Such forecasted information includes: gross domestic product (GDP) growth, unemployment rates and interest rates amongst others.

The Organization assesses collectibility of amounts due prior to the recognition of revenues. Accounts receivable are recorded at net realizable value in accordance with contracts with customers. Accounts are written-off through the allowance when the Organization has exhausted all collection efforts and determines accounts are impaired based on changes in credit worthiness. During the years ended June 30, 2024 and 2023, \$31,521 and \$3,600 of accounts receivable were written-off, respectively.

Grants Receivable

Grants receivable represents the outstanding balance of government grants due to the Organization based upon allowable costs incurred. Management determines the need for an allowance for doubtful accounts based on historical collection experience and a review of current receivable balances. No allowance for doubtful accounts is considered necessary at June 30, 2024 and 2023.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contribution revenue at their estimated fair values on the date of donation.

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Fair Value Hierarchy

The prioritized fair value hierarchy of financial instruments under U.S. GAAP is summarized as follows:

Level 1 - Quoted prices in active markets, e.g., NYSE, NASDAQ, etc. for assets identical to the securities to be valued. If a Level 1 input is available, it must be used.

Level 2 - Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc.; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

Level 3 - Unobservable inputs, which contain certain assumptions by the party valuing those assets. For Level 3 inputs, there is no market data or correlation with market assumptions. Examples would include limited partnership interests, closely held stock, etc.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized at cost when purchased. Depreciation expense is recorded on a straight-line basis over the estimated useful life of the fixed asset. Maintenance, repairs and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in revenue and other support.

Donated property and equipment are recorded as increases in net assets without donor restrictions at their estimated fair value as of the date received. Contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, the Organization has not recorded any impairment for long-lived assets.

Pledges Receivable

Unconditional promises to give are recognized as pledges receivable and contribution revenue in the year received. Pledges receivable expected to be collected beyond one year are recorded at their present values, discounted based on the duration of the pledge as of the date the pledge is received. The discount, which is recorded when the pledge is received, is accreted to contribution revenue using the interest method. Conditional promises to give are recognized when the conditions on which they depend are met.

Beneficial Interests

Accounting guidance requires that a specified beneficiary recognize its rights to the assets held by a recipient organization as an asset. The Organization has recorded its estimated equity in the various funds as a beneficial interest on the statements of financial position. The change in the beneficial interest is recorded in the statements of activities as revenue and other support.

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Contributions

The Organization recognizes all unconditional contributions as income in the period the unconditional contributions are received. Contributions are considered unconditional when the Organization meets any barriers or conditions communicated in the agreement. Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor limitations on use of the support. There were approximately \$2,680,000 and \$2,910,000 of conditional contributions received and included in deferred revenue at June 30, 2024 and 2023, respectively.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed Services

A substantial number of volunteers have donated significant amounts of their time primarily in the sorting of food received from donor companies and producers. No amounts have been reflected in the financial statements for these donated services as they do not meet the requirement of specialized skills, therefore they do not meet the criteria for recognition. However, if these services would be obtained through outside help, the additional expense would have a significant impact on the financial statements.

Use of Estimates

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

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs that are directly attributable to a functional category are charged to that category. Costs that are not directly attributable are allocated based on time and effort.

Inventories

Purchased product inventory is stated at the lower of cost (first in, first out) or market.

Donated product inventory is stated based on the average wholesale value of one pound of product as reported by Feeding America, Inc., (National). Donated product contributions consist of products received from donors and donated product expense consists of donated product distributed to recipient agencies.

United States Department of Agriculture (USDA) inventory consists of food allocations from the Emergency Food Assistance Program. The National valuation is used to assign a value to each product, USDA product contributions consist of products received from the USDA and/or USDA managed programs. USDA product expense consists of donated product distributed to recipient agencies.

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Deferred Revenue

Deferred revenue includes advance payments received from recipients for future food purchases from the Organization and receipts of contributions with barriers that have not been met at year-end.

Reclassification

For comparability, certain 2023 amounts have been reclassified to conform with classifications adopted in 2024. The reclassifications have no effect on reported amounts of net assets or change in net assets.

Adopted Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime expected credit loss measurement objective for the recognition of 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 existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized.

On July 1, 2023, the Organization adopted the ASU using the modified retrospective basis. There was no adjustment to net assets upon adoption. The Organization has not restated comparative information for the prior year(s) and, therefore, the comparative information for 2023 is reported under the old model and is not comparable to the information presented for 2024. At adoption, no adjustment to the allowance for credit losses on its trade receivables was necessary.

3. Contracts With Customers

The Organization's members are billed for a small portion of products distributed based on a pricing structure that is set by National, ultimately constituting an individual contract between the Organization and the member for each distribution. The Organization is obligated to provide products as ordered by the member and completion of this performance obligation occurs upon delivery or receipt of the product by the member.

Payment for product is typically due within 30 days of receipt of product. Although returns and credits exist relating to these contracts, the cumulative effect on revenue is not significant. Net realizable value of receivables from members were \$128,870 and \$194,784 at June 30, 2024 and 2023, respectively.

Due to the lack of uniformity in product over a period of time, the Organization does not consider a contract to exist until the day the order is scheduled to be distributed. As a result, the Organization does not have contract assets that cover multiple fiscal years, as the contract period is limited to the day of delivery or receipt to the member. The Organization does receive payments from members in advance of the distribution of product, but since the specific products to be distributed are not yet known upon receipt of these payments, no contract liability yet exists. The payments received are recorded in deferred revenue on the statements of financial position.

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

4. Property and Equipment

Property and equipment are summarized as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Land, building and improvements	\$ 12,693,257	\$ 12,609,265
Warehouse equipment	1,808,681	1,733,539
Furniture and fixtures	887,402	685,631
Vehicles	1,138,032	1,233,787
Operating lease right-of-use assets	24,248	40,997
Finance lease right-of-use assets	<u>1,830,555</u>	<u>1,830,555</u>
Total property and equipment	18,382,175	18,133,774
Less accumulated depreciation	<u>(9,196,176)</u>	<u>(8,442,091)</u>
Net property and equipment	<u>\$ 9,185,999</u>	<u>\$ 9,691,683</u>

5. Fair Value Measurements

Beneficial interests in the Feeding America Eastern Wisconsin Foundation, Inc. (FAEW Foundation) and Greater Milwaukee Foundation are measured at fair value on a recurring basis. The beneficial interests are classified as Level 3 as the fair values are based on significant unobservable inputs (entity specific estimates of cash flows). Since the Organization has an irrevocable right to receive income earned from the assets held by others, the fair value of the Organization's beneficial interest is estimated to approximate the fair value of assets.

Information relevant to the measurement of fair value is below:

Description	Fair Value Measurement at June 30, 2024			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in FAEW Foundation	\$ 2,977,433	\$ -	\$ -	\$ 2,977,433
Beneficial interest in Greater Milwaukee Foundation	<u>5,619,570</u>	<u>-</u>	<u>-</u>	<u>5,619,570</u>
Total	<u>\$ 8,597,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,597,003</u>

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Description	Fair Value Measurement at June 30, 2023			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in FAEW Foundation	\$ 2,831,990	\$ -	\$ -	\$ 2,831,990
Beneficial interest in Greater Milwaukee Foundation	5,083,316	-	-	5,083,316
Total	<u>\$ 7,915,306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,915,306</u>

The Organization has beneficial interests whose investments are held in various debt and equity securities which are exposed to risks of loss including, but not limited to, interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain securities and the level of uncertainty related to changes in the value of marketable securities, it is at least reasonably possible that changes in the values of the beneficial interests will occur in the near term and that such changes could materially affect the amounts reported in the financial statements in future periods.

Activity related to Level 3 financial instruments measured at fair value on a recurring basis using significant unobservable inputs included distributions received from the Greater Milwaukee Foundation and FAEW Foundation of \$219,004 and \$205,587 during the years ended June 30, 2024 and 2023, respectively. Transfers to the Greater Milwaukee Foundation and FAEW Foundation were \$0 during the years ended June 30, 2024 and 2023.

6. Beneficial Interest in Greater Milwaukee Foundation

U.S. GAAP requires that if a community foundation accepts a contribution from an agency and agrees to transfer those assets, the return on investment of those assets or both back to the agency, then these contributions are presented as a liability (instead of as net assets) on the financial statements of the community foundation and as an asset on the financial statements of the donor. As a result, assets transferred by the Organization to the Greater Milwaukee Foundation, a community foundation, for which the Organization, as donor, is the beneficiary of the transferred assets, have been reflected as an asset on the Organization's statements of financial position.

7. Pledges Receivable

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges expected to be collected beyond one year are recorded after discounting the future cash flows to their present value. A discount rate of 5% is used. Management estimates an allowance for uncollectible pledges receivable based on its historical losses and an evaluation of past due amounts. Pledges deemed uncollectible by management are written off against the allowance at the time they are determined to be uncollectible. No pledges were deemed uncollectible in 2024 and 2023.

At June 30, 2024 and 2023, \$80,000 and \$30,000 of the total balance, respectively, is donor restricted to be used for specific purposes. The remaining outstanding pledges are to be used for operations.

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Pledges receivable outstanding at June 30 are as follows:

	<u>2024</u>	<u>2023</u>
In one year or less	\$ 130,000	\$ 120,000
Between one year and five years	20,000	15,000
Less present value discount	<u>(8,418)</u>	<u>(1,191)</u>
Total	<u>\$ 141,582</u>	<u>\$ 133,809</u>

8. Line of Credit

The Organization has an unsecured line of credit of \$500,000. Interest is payable monthly at the prime rate less .45 basis points. As of June 30, 2024 and 2023, there were no draws on this line of credit.

9. Net Assets

Net assets with donor restrictions at June 30 are available for the following purpose, time and in perpetuity restrictions:

	<u>2024</u>	<u>2023</u>
Food fund	\$ 233,046	\$ 114,141
Inventory, USDA	10,477	1,765
Time restriction	141,582	133,809
Special projects	1,479,742	828,300
Greater Milwaukee Foundation Fund	<u>375,668</u>	<u>354,567</u>
Total purpose and time restricted	<u>2,240,515</u>	<u>1,432,582</u>
FAEW Foundation	2,977,433	2,831,990
Greater Milwaukee Foundation Fund	<u>996,818</u>	<u>942,637</u>
Total funds held in perpetuity	<u>3,974,251</u>	<u>3,774,627</u>
Total net assets with donor restrictions	<u>\$ 6,214,766</u>	<u>\$ 5,207,209</u>

10. Liquidity

The Organization has the following financial assets available as of June 30 that could be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,857,027	\$ 1,927,330
Accounts and grants receivable	1,015,318	3,145,540
Current pledges receivable, less gifts with purpose restrictions (Note 7)	<u>50,000</u>	<u>105,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,922,345</u>	<u>\$ 5,177,870</u>

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

None of the financial assets are subject to restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. All accounts and grants receivable on the statements of financial position are expected to be received within one year. Current pledges receivable are subject to implied time restrictions, but are expected to also be received within one year.

The Organization's goal is to maintain financial assets on hand to meet 90 days of normal operating expenses, which excludes donated product expense and includes capital acquisition needs and debt service requirements. Based on normal operating expenditures, the Organization prepares a balanced budget annually, with liquidity being a major focus in budget creation. Liquidity is monitored regularly by management and the Board of Directors of the Organization.

In addition to the financial assets available above, the Organization has access to a \$500,000 line of credit which it can draw upon as needed and the Board of Directors could undesignate \$4,247,084 of designated net assets.

11. Concentration of Risk

The Organization's cash balances, which are held in federally insured depository institutions, are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, the balances may have exceeded this insured amount. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts receivable consist of accounts due mainly from food pantries located in eastern Wisconsin.

12. Retirement Plan

The Organization sponsors a 401(k) retirement plan for all eligible employees. The total amount of retirement plan expense for the years ended June 30, 2024 and 2023 was \$93,023 and \$73,251, respectively.

13. Leases

The Organization has operating and finance lease agreements for the use of transportation equipment, warehouse equipment and office equipment. Finance lease obligations are secured by the leased equipment. Remaining lease terms range from one to six years for finance leases and one to three years for operating leases. The discount rate used to determine the present value of lease payments is the risk free rate unless stated in the lease agreement.

The components of lease cost were as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 19,560	\$ 20,670
Finance lease cost:		
Amortization of right-of-use assets	147,882	174,310
Interest on lease liabilities	<u>58,045</u>	<u>63,280</u>
Total	<u>\$ 225,487</u>	<u>\$ 258,260</u>

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Supplemental cash flow information related to leases was as follows:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 19,560	\$ 20,670
Operating cash flows from finance leases	58,045	63,280
Financing cash flows from finance leases	<u>169,261</u>	<u>150,623</u>
Total	<u>\$ 246,866</u>	<u>\$ 234,573</u>

Supplemental statement of financial position information related to leases was as follows:

	<u>2024</u>	<u>2023</u>
Right-of-use assets included in Property and equipment, net on statements of financial position:		
Operating lease right-of-use assets	\$ 24,248	\$ 40,997
Finance lease right-of-use assets	1,830,555	1,830,555
Accumulated depreciation	<u>(1,132,961)</u>	<u>(946,301)</u>
Total	<u>\$ 721,842</u>	<u>\$ 925,251</u>
Right-of-use assets obtained in exchange for new finance lease liabilities	<u>\$ -</u>	<u>\$ 180,820</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$ -</u>	<u>\$ 16,515</u>
Weighted average remaining lease term:		
Operating leases	two years	four years
Finance leases	four years	five years
Weighted average discount rate:		
Operating leases	4.75%	4.75%
Finance leases	7.47%	7.31%

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

The following is a schedule of future minimum lease payments under the finance leases together with the present value of the net minimum lease payments for the years ended after June 30, 2024:

Years ending June 30:		
2025	\$	219,066
2026		189,677
2027		168,828
2028		153,468
2029		140,863
Thereafter		<u>21,640</u>
Total future minimum lease payments		893,542
Less interest		<u>(144,597)</u>
Present value of future minimum lease payments		748,945
Less current portion		<u>(169,770)</u>
Long-term finance lease obligation	\$	<u><u>579,175</u></u>

The following is a schedule of future minimum lease payments under the operating leases together with the present value of the net minimum lease payments for the years ended June 30, 2024:

Years ending June 30:		
2025	\$	15,975
2026		10,147
2027		<u>458</u>
Total future minimum lease payments		26,580
Less interest		<u>(1,182)</u>
Present value of future minimum lease payments		25,398
Less current portion		<u>(15,063)</u>
Long-term operating lease obligation	\$	<u><u>10,335</u></u>

14. Related-Party Transactions

Bookkeeping and accounting services are performed by the Organization for the FAEW Foundation. There is a service agreement between the FAEW Foundation and the Organization which specifies the services provided and the fee to be paid by the FAEW Foundation. The Organization charged \$10,000 for services provided during the years ended June 30, 2024 and 2023.

Feeding America Eastern Wisconsin, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

15. Contributed Nonfinancial Assets

Contributed nonfinancial assets are comprised of donated product and product received from the USDA, respectively. Donated product is utilized via distribution to food pantries, as well as via distribution to individual recipients at mobile and school pantries operated by the Organization. USDA product is utilized via distribution to food pantries, although limited to those that are allowed participants under the Organization's Emergency Food Assistance Program agreement with the State of Wisconsin Department of Health Services. Due to the limitation on pantries that the Organization can distribute USDA product to, revenues recognized are restricted until the product is distributed.

Both donated product and USDA product inventory is valued using the average wholesale value of one pound of product as reported by National.

16. Contingencies

Litigation, Claims and Disputes

Occasionally, the Organization is a defendant in lawsuits arising in the ordinary course of business. Although the outcome of the lawsuits cannot be determined with certainty, management believes the ultimate disposition of such matters will not have a material effect on the Organization's financial statements.

Financial Awards From Grantors

Financial awards from federal and state governments in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

17. Subsequent Events

The Organization has evaluated subsequent events through October 4, 2024, which is the date that the financial statements were approved and available to be issued, for events requiring disclosures or recording in the financial statements.

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Directors of
Feeding America Eastern Wisconsin, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Feeding America Eastern Wisconsin, Inc. (the Organization), which comprise the Organization's statement of financial position as of June 30, 2024, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 4, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Milwaukee, Wisconsin
October 4, 2024

**Report on Compliance
for Each Major Federal Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditors' Report

To the Board of Directors of
Feeding America Eastern Wisconsin, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Feeding America Eastern Wisconsin, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Baker Tilly US, LLP

Milwaukee, Wisconsin
October 4, 2024

Feeding America Eastern Wisconsin, Inc.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Awards Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Wisconsin Department of Health Services Pass-through from Feeding Wisconsin, Inc. State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	445404	\$ -	\$ 760,830
Total SNAP Cluster			-	760,830
Wisconsin Department of Agriculture, Trade and Consumer Protection COVID-19 - Local Food Purchase Assistance Community Partner Grant	10.182	70010	-	163,275
Wisconsin Department of Health Services Emergency Food Assistance Program (Administrative Costs)	10.568	70010	-	127,339
CCC Phase 1 and 2 Food Storage and Distribution	10.568	70010	-	25,750
Emergency Food Assistance Program - Reach and Resiliency	10.568	70010	-	181,653
Farm to Food Bank	10.568	70010	-	17,520
Emergency Food Assistance Program (Food Commodities)	10.569	70010	5,076,472	5,076,472
Total Food Distribution Cluster			5,076,472	5,428,734
U.S. Department of Health Services				
Wisconsin Department of Health Services Pass-through from Children's Health Alliance of Wisconsin Children and Youth with Special Health Care Needs	93.994	Not available	-	20,771
University of Wisconsin System Covering Wisconsin	93.332	Not available	-	15,946
U.S. Department of Treasury				
Wisconsin Department of Agriculture, Trade and Consumer Protection Pass-through from Feeding Wisconsin, Inc. COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	-	107,103
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	445404	-	2,311,809
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			-	2,418,912
Total expenditures of federal awards			\$ 5,076,472	\$ 8,808,468

See notes to the schedule of expenditures of federal awards.

Feeding America Eastern Wisconsin, Inc.

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Feeding America of Eastern Wisconsin, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Feeding America Eastern Wisconsin, Inc.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I: Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

21.027

COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

10.568 and 10.569

Food Distribution Cluster

10.561

SNAP Cluster

Dollar threshold used to distinguish between Type A and Type B programs:
Federal Program

\$750,000

Auditee qualified as low-risk auditee?

 X yes no

Feeding America Eastern Wisconsin, Inc.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section II: Financial Statement Findings

There were no findings.

Section III: Federal Award Findings and Questioned Costs

There were no findings or questioned costs.

Feeding America Eastern Wisconsin, Inc.

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2024

The prior year single audit disclosed no findings and therefore, no uncorrected or unresolved findings exist from prior single audits.

Feeding America of Eastern Wisconsin, Inc.

Department of Health Services Cost Reimbursement Schedule

Year Ended June 30, 2024

	Emergency Food Assistance Program 70010	Emergency Food Assistance Program 70010	Emergency Food Assistance Program 70010	Emergency Food Assistance Program 70010	Emergency Food Assistance Program 70010
Grant					
DHS identification number	70010	70010	70010	70010	70010
Award amount	\$ 128,585	\$ 107,750	\$ 25,750	\$ 598,096	\$ 39,780
Award period	10/1/22-9/30/23	10/1/23-9/30/24	2/1/23-9/30/23	5/25/23-6/30/25	10/1/23-9/30/24
Period of award within audit period	<u>7/1/23-9/30/23</u>	<u>10/1/23-6/30/24</u>	<u>7/1/23-9/30/23</u>	<u>7/1/23-6/30/24</u>	<u>10/1/23-6/30/24</u>
Revenue received					
Expenditures reported to DHS	<u>\$ 35,559</u>	<u>\$ 91,780</u>	<u>\$ 25,750</u>	<u>\$ 181,653</u>	<u>\$ 17,520</u>
Total allowable costs of award					
Salaries and fringe benefits	24,576	91,780	-	73,150	-
Occupancy	2,133	-	-	-	-
Liability, building and vehicle insurance	298	-	-	-	-
Agency operations	-	-	25,750	22,243	17,520
Supplies	-	-	-	5,025	-
Equipment	8,552	-	-	81,235	-
Total allowable costs of award	<u>\$ 35,559</u>	<u>\$ 91,780</u>	<u>\$ 25,750</u>	<u>\$ 181,653</u>	<u>\$ 17,520</u>
Expenditures reported less allowable costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>