Feeding America
Eastern Wisconsin, Inc.

Financial Statements

June 30, 2026 and 2025

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, 2026 and 2025, 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, 2026 and 2025, 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 (GAAP).

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 GAAP, 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.

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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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2026 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 28, 2026

Feeding America Eastern Wisconsin, Inc.

Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
Assets		
Current Assets		
Cash and equivalents	$ 1,832,046	$ 2,461,202
Restricted cash and cash equivalents	899,157	-
Accounts receivable	678,578	277,458
Grants receivable	495,996	392,252
Pledges receivable	304,500	62,550
Beneficial interest, Greater Milwaukee Foundation, current	5,473,852	4,709,139
Inventories, purchased	255,626	241,941
Inventories, donated	1,753,612	1,696,621
Inventories, United States Department of Agriculture (USDA)	776,125	49,360
Prepaid expenses and deposits	311,806	174,808
Right to use donated space	150,000	-
Prepaid purchased product	49,741	24,941
Total current assets	12,981,039	10,090,272
Property and Equipment, Net	8,687,370	9,414,530
Other Assets		
Pledges receivable, long-term portion, net	127,132	191,502
Beneficial interest, Feeding America Eastern Wisconsin Foundation, Inc.	3,773,133	3,171,346
Beneficial interest, Greater Milwaukee Foundation	1,568,149	1,452,855
Beneficial interest, community foundations	316,242	-
Equipment to be returned to donor	3,304,722	-
Total other assets	9,089,378	4,815,703
Total assets	$ 30,757,787	$ 24,320,505

See notes to financial statements.

Feeding America Eastern Wisconsin, Inc.

Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 1,301,758	$ 462,516
Finance lease payable, current portion	148,766	152,885
Operating lease payable, current portion	15,902	16,351
Accrued compensation	318,316	307,861
Refundable advance	1,333,389	244,362
Obligation to return equipment to donor	3,304,722	-
Total current liabilities	6,422,853	1,183,975
Noncurrent Liabilities		
Finance lease payable, long-term portion	303,354	433,730
Operating lease payable, long-term portion	20,160	11,189
Total noncurrent liabilities	323,514	444,919
Total liabilities	6,746,367	1,628,894
Net Assets		
Without donor restrictions:		
Undesignated	10,292,509	10,394,626
Board designated	5,473,852	4,709,139
Total without donor restrictions	15,766,361	15,103,765
With donor restrictions	8,245,059	7,587,846
Total net assets	24,011,420	22,691,611
Total liabilities and net assets	$ 30,757,787	$ 24,320,505

See notes to financial statements.

Feeding America Eastern Wisconsin, Inc.

Statements of Activities
Years Ended June 30, 2026 and 2025

	Without Donor Restrictions	With Donor Restrictions	2026	Without Donor Restrictions	With Donor Restrictions	2025
Revenue and Other Support						
Emergency food assistance program	$ 188,793	$ -	$ 188,793	$ 123,970	$ -	$ 123,970
SNAP outreach and other government grants	2,026,302	-	2,026,302	2,171,143	-	2,171,143
Contributions	10,972,075	3,150,805	14,122,880	8,547,170	2,749,578	11,296,748
Change in fair value of beneficial interest, Feeding America Eastern Wisconsin Foundation, Inc.	-	601,767	601,767	-	355,447	355,447
Change in fair value of beneficial interest, Greater Milwaukee Foundation	764,713	180,142	944,855	462,056	143,033	605,089
Change in fair value of beneficial interest, community foundations	23,903	-	23,903	-	-	-
Donated leased space	-	180,000	180,000	-	-	-
Special events	357,616	-	357,616	308,092	30,000	338,092
Purchased product sales	1,930,412	-	1,930,412	1,944,624	-	1,944,624
Donated product contributions	69,384,913	-	69,384,913	69,402,914	-	69,402,914
Tribal elder box contributions	2,759,370	-	2,759,370	2,019,020	-	2,019,020
USDA product contributions	-	5,489,571	5,489,571	-	5,461,121	5,461,121
Miscellaneous	473,411	-	473,411	232,402	-	232,402
Net assets released from restrictions	8,945,072	(8,945,072)	-	7,366,099	(7,366,099)	-
Total revenue and other support	97,826,580	657,213	98,483,793	92,577,490	1,373,080	93,950,570
Expenses						
Program	92,496,673	-	92,496,673	89,604,826	-	89,604,826
Management and general	1,954,327	-	1,954,327	1,549,226	-	1,549,226
Fundraising	2,712,984	-	2,712,984	2,528,146	-	2,528,146
Total expenses	97,163,984	-	97,163,984	93,682,198	-	93,682,198
Change in net assets	662,596	657,213	1,319,809	(1,104,708)	1,373,080	268,372
Net Assets, Beginning	15,103,765	7,587,846	22,691,611	16,208,473	6,214,766	22,423,239
Net Assets, Ending	$ 15,766,361	$ 8,245,059	$ 24,011,420	$ 15,103,765	$ 7,587,846	$ 22,691,611

See notes to financial statements

Feeding America Eastern Wisconsin, Inc.

Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows From Operating Activities		
Change in net assets	$ 1,319,809	$ 268,372
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	911,795	854,571
Future donated space	(150,000)	-
Market change of beneficial interests	(1,572,855)	(799,000)
Gain on disposal of assets	(116,508)	-
Credit losses	20,674	67,503
Lease costs	(16,869)	(17,807)
Inventories, donated	(56,991)	(3,032)
Inventories, USDA	(726,765)	(38,883)
Changes in assets and liabilities:		
Prepaid expenses and deposits	(136,998)	(90,989)
Prepaid purchased product	(24,800)	116,714
Accounts receivable	(421,794)	219,494
Grants receivable	(103,744)	58,611
Pledges receivable	(177,580)	(112,470)
Inventories, purchased	(13,685)	1,170
Accounts payable	421,192	123,485
Accrued compensation	10,455	(4,015)
Refundable advance	607,920	123,271
Net cash flows from operating activities	(226,744)	766,995
Cash Flows From Investing Activities		
Purchases of property and equipment	(241,923)	(1,054,469)
Proceeds from sale of property and equipment	221,300	-
Deposits into community foundations	(292,340)	-
Purchases of additions to equipment to be returned to donor	(700,843)	-
Distributions from Greater Milwaukee Foundation and community foundations	67,159	62,663
Net cash flows from investing activities	(946,647)	(991,806)
Cash Flows From Financing Activities		
Cash received for equipment to be returned to donor	1,600,000	-
Finance lease payment	(156,608)	(171,014)
Net cash flows from financing activities	1,443,392	(171,014)
Net change in cash and equivalents	270,001	(395,825)
Cash and Equivalents, Beginning	2,461,202	2,857,027
Cash and Equivalents, Ending	$ 2,731,203	$ 2,461,202
Supplemental Cash Flow Disclosures		
Cash paid for interest	$ 47,461	$ 53,218

See notes to financial statements.

Feeding America Eastern Wisconsin, Inc.

Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Reconciliation of Cash and Cash Equivalents and Restricted Cash		
Cash and cash equivalents	$ 1,832,046	$ 2,461,202
Restricted cash	899,157	-
Total cash and cash equivalents and restricted cash	$ 2,731,203	$ 2,461,202
Noncash Investing and Financing Activities		
Property and equipment purchased with finance lease	$ 22,113	$ 8,684
Property and equipment purchased with operating lease	$ 25,391	$ 19,949
Equipment to be returned to donor included within accounts payable	$ 418,050	$ -
Donated equipment to be returned to donor	$ 2,185,829	$ -

See notes to financial statements.

Feeding America Eastern Wisconsin, Inc.

Statements of Functional Expenses
Years Ended June 30, 2026 and 2025

	Program	Management and General	Fundraising	2026	Program	Management and General	Fundraising	2025
Salaries and benefits	$ 5,109,097	$ 714,208	$ 1,219,987	$ 7,043,292	$ 5,096,261	$ 714,205	$ 983,688	$ 6,794,154
Fund development	-	-	883,638	883,638	-	-	1,047,057	1,047,057
Staff development, travel and conferences	105,126	19,114	35,042	159,282	108,593	19,744	36,198	164,535
Occupancy	1,541,720	210,938	35,156	1,787,814	1,470,199	205,144	34,191	1,709,534
Office supplies and services	633,046	856,146	420,029	1,909,221	558,689	465,949	289,000	1,313,638
Dues and subscriptions	107,717	23,887	43,792	175,396	110,089	24,427	44,783	179,299
Transportation	424,524	61,981	-	486,505	328,793	44,835	-	373,628
Equipment and vehicle repair	18,064	-	-	18,064	36,862	-	-	36,862
Liability, building and vehicle insurance	212,517	29,654	4,942	247,113	191,176	26,676	4,446	222,298
Purchased product and procurement	3,799,163	-	-	3,799,163	2,138,536	-	-	2,138,536
Tribal elder box product	2,192,236	-	-	2,192,236	2,199,383	-	-	2,199,383
Community relations and marketing	196,090	35,653	65,363	297,106	226,448	41,232	75,923	343,603
Interest	41,513	-	-	41,513	51,671	-	-	51,671
Miscellaneous	15,098	2,746	5,035	22,879	38,580	7,014	12,860	58,454
Donated product	69,327,922	-	-	69,327,922	69,399,885	-	-	69,399,885
USDA product	5,538,931	-	-	5,538,931	5,422,236	-	-	5,422,236
Grants	3,233,909	-	-	3,233,909	2,227,425	-	-	2,227,425
Total expenses	$ 92,496,673	$ 1,954,327	$ 2,712,984	$ 97,163,984	$ 89,604,826	$ 1,549,226	$ 2,528,146	$ 93,682,198

See notes to financial statements

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 360-member organizations that serve approximately 2,655,000 persons and 33,256,000 meals 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 accounting principles generally accepted in the United States (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 $5,473,852 and $4,709,139 as of June 30, 2026 and 2025, 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.

Restricted Cash

The Organization received cash stipulated for the hydroponic farm and, as such, was separately classified from cash and cash equivalents that is available for current use. See Note 2, Contracts and Related Agreements for the Hydroponic Farm Project for further information on restricted cash.

Accounts Receivable

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 expectations 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, with all receivables being considered one pool at June 30, 2026 and 2025. In situations where a receivable does not share the same risk characteristics with other receivables, the Organization measures those receivables individually. No receivable balances were measured individually at June 30, 2026 and 2025. 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 collectability 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, 2026 and 2025, $19,412 and $67,503 of accounts receivable were written-off, respectively. At June 30, 2026 and 2025, $17,817 and $16,555 of accounts receivable were allowed for, 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, 2026 and 2025.

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.

Donated Assets

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

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, beneficial interests, etc.

Property and Equipment

Acquisitions of property and equipment in excess of $5,000 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, unless donor explicitly states otherwise. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Contracts and Related Agreements for the Hydroponic Farm Project

The Organization entered into several agreements during fiscal year 2026 related to the construction, installation and future operation of a hydroponic farm. These agreements include donor funding arrangements, contributed nonfinancial assets, in-kind services, leased facilities and vendor contracts associated with the farm's installation. The agreements are summarized below.

Third-Party, Community Services Agreement

The Organization entered into a three year Community Services Agreement with a third party, expiring on the third anniversary of contract execution. Under this agreement, the third-party purchased and provided hydroponic farm equipment valued at $2,185,829 which was provided to the Organization in fiscal year 2026. The third party also provided $1,800,000 to the Organization for the following:

- $1,600,000 was to fund installation costs of the equipment to operate the hydroponic farm.
- $200,000 was restricted to support future farm operations once the farm becomes fully operational.

Through June 30, 2026, the Organization incurred $1,118,893 of installation costs related to the farm equipment. The donated equipment and the installation costs incurred are recorded as equipment held under return arrangement and as obligation to return equipment to donor in the amount of $3,304,722.

The third party retains a contractual right to repurchase the farm equipment for $1 at the end of the three year term. However, the third-party can have the Organization return the equipment if the Organization does not operate the farm and certain other conditions are not met. The Organization initially recorded the $1,600,000 of cash received as a refundable advance and the $200,000 as contribution revenue with donor restrictions.

In addition, the third-party provides the Organization with use of leased space for an annual cost of $1, inclusive of all utilities, real estate related costs and other occupancy expenses. This arrangement represents a below market lease and will be accounted for as in-kind contributed nonfinancial assets when the benefit is determined to be unconditional. The Organization recognized $30,000 as in-kind contributions and lease expense for the year ended June 30, 2026. The agreement has annual renewal options in fiscal 2027 and 2028. The Organization needs to meet certain conditions on the anniversary date each year in order to have the space be eligible to be donated for an additional year.

As of June 30, 2026, the Organization recorded a receivable of $150,000 representing the estimated fair value of unconditional future contributed donated space to be received in fiscal 2027. The amount is reflected in right to use donated space on the statements of financial position. The agreement has an conditional component based on results of the farm operations. The conditional amount is $360,000 as of June 30, 2026.

Farm Manager, Management Services Agreement

The Organization entered into a three year Management Services Agreement with the vendor who designed the hydroponic system. Under this agreement, a farm manager will provide management and oversight services for the first year of farm operations free of charge. These services represent in-kind contributed services that will be recognized as revenue and expense when received. The second and third year are subject to mutual agreement and can only be renewed if the aforementioned third party Community Service Agreement remains in place.

For the year ended June 30, 2026, the Organization had not yet received any contributed management services under this agreement and therefore recognized $0 of in-kind service revenue and expense for the year ended June 30, 2026. Once the farm is operational, the amount of contributed management services will approximate $157,500 for the first year, $216,300 in the second and $185,658 in the third year.

During fiscal year 2026, the Organization paid the vendor $601,698 for installation of farm equipment. These costs are included in the total installation cost of the farm and were capitalized as part of equipment to be returned to donor as of June 30, 2026.

Construction Vendor, Installation Agreement

The Organization entered into an installation agreement with a third party vendor to install the hydroponic farm equipment. Installation costs incurred under this agreement are included in the total project cost and are recognized as equipment to be returned to donor in accordance with applicable accounting guidance.

As of June 30, 2026, the Organization incurred $517,195 in installation costs to the construction vendor and costs were capitalized as equipment to be returned to donor as of June 30, 2026. The Organization paid the vendor from $1,600,000 of refundable advances.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, right-of-use assets, equipment to be returned to donor 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.

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.

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.

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 $7,145,695 and $2,436,000 of conditional contributions at June 30, 2026 and 2025, 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.

Refundable Advance

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

The Organization has $776,125 and $0 of USDA commodities received but not yet distributed as of June 30, 2026 and 2025, respectively. These commodities are recognized as revenue when distributed to partner agencies or program participants, consistent with federal program requirements and donor-imposed conditions.

Advance payments with barriers that have not been met were $76,157 and $244,362 as of June 30, 2026 and 2025, respectively.

Refundable Advance and Obligation to Return Equipment to Donor

In 2026, the Organization entered into an agreement with a third-party to construct and operate a hydroponic farm. As part of this agreement, third-party donated equipment valued at $2,185,829. The third-party retains a contractual right to repurchase the equipment for $1 upon the contract's expiration. The third-party also provided $1,600,000 to fund installation costs of the equipment. Through June 30, 2026, the Organization incurred $1,118,893 of qualifying installation costs. The donated equipment and the installation costs incurred are recorded as equipment held under return arrangement and as obligation to return equipment to donor. The remaining $481,107 of unspent funds is recorded as a refundable advance until the related installation activities occur and the donor-imposed purpose restriction is satisfied.

The assets will begin depreciating over a three-year useful life once installation is complete and the farm becomes operational in fiscal year 2027. The related obligation to return equipment to donor will be amortized over the same period as the donor's conditions are satisfied.

Reclassification

For comparability, certain 2025 amounts related to deferred revenue have been reclassified to refundable advance to conform with classifications adopted in 2026. The reclassifications have no effect on reported amounts of net assets or change in net assets.

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 $109,800, $104,032 and $128,870 at June 30, 2026, 2025 and 2024, 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 may 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, if any, are recorded in deferred revenue on the statements of financial position.

4. Property and Equipment

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

	2026	2025
Land, building and improvements	$ 12,581,119	$ 12,710,681
Warehouse equipment	2,182,388	2,063,457
Furniture and fixtures	1,344,559	1,186,546
Vehicles	1,606,534	1,138,032
Operating lease right-of-use assets	36,135	28,148
Finance lease right-of-use assets	1,861,351	1,839,239
Construction in progress	13,566	497,385
Total property and equipment	19,625,652	19,463,488
Less accumulated depreciation	(10,938,282)	(10,048,958)
Net property and equipment	$ 8,687,370	$ 9,414,530

During the year ended June 30, 2026, the State of Wisconsin initiated a highway-widening project adjacent to one of the Organization's facilities. As part of this project, the Organization disposed of land and a sign with a combined carrying amount of $135,248 and related accumulated depreciation of $30,456 on the sign. The Organization received proceeds of $221,300 from the State and recognized a gain on disposal of $110,742, which is reported in the 2026 statement of activities within miscellaneous revenue. Depreciation expense was $911,795 and $854,571 for the years ended June 30, 2026 and 2025, respectively.

The Organization has capitalized $3,304,722 related to the hydroponic farm project which is recorded as equipment held under return arrangement. Construction is ongoing and upon the project's completion and the asset being placed into service, the capitalized costs will be reclassified to the appropriate fixed-asset category and depreciated over the asset's estimated useful life. See Note 2 for further information.

During the year ended June 30, 2026, the Organization entered into agreements with Community Foundation for the Fox Valley Region, Greater Green Bay Community Foundation and Oshkosh Area Community Foundation (Community Foundations) and contributed $292,340 to establish funds supporting the Organization's mission. Under these agreements, the contributed assets are held and invested by the Community Foundations. Although the Community Foundations retain legal ownership of the assets, the Organization is named as the beneficiary and is entitled to distributions in accordance with the Community Foundations' spending policy.

Beneficial interests in the Feeding America Eastern Wisconsin Foundation, Inc. (FAEW Foundation) and Greater Milwaukee Foundation and the Community Foundations 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:

	Fair Value Measurement at June 30, 2026			
Description	**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	$ 3,773,133	$ -	$ -	$ 3,773,133
Beneficial interest in Greater Milwaukee Foundation	7,042,001	-	-	7,042,001
Beneficial interest in community foundations	316,242	-	-	316,242
Total	$ 11,131,376	$ -	$ -	$ 11,131,376

	Fair Value Measurement at June 30, 2025			
Description	**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	$ 3,171,346	$ -	$ -	$ 3,171,346
Beneficial interest in Greater Milwaukee Foundation	6,161,994	-	-	6,161,994
Total	$ 9,333,340	$ -	$ -	$ 9,333,340

The Organization has beneficial interests whose investments are held in various debt, equity and other securities and beneficial interests may be 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 $64,829 and $224,198 during the years ended June 30, 2026 and 2025, respectively. Transfers to the Greater Milwaukee Foundation and FAEW Foundation were $0 during the years ended June 30, 2026 and 2025. Deposits into Community Foundations were $292,340 and $0 in fiscal year 2026 and 2025, respectively. Distributions received from the Community Foundations were $2,330 and $0 during the years ended June 30, 2026 and 2025, respectively.

5. Beneficial Interests

Greater Milwaukee Foundation and Community Foundations

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 and the community foundations, 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. The Organization classified the funds on the statements of financial position based on whether the purpose of the funds had a long-term or short-term purpose.

FAEW Foundation

Contributions received on behalf of the Organization, which are being held by FAEW Foundation at year-end, are recognized as beneficial interest, FAEW Foundation. Payments subsequently received for these contributions from FAEW Foundation are recorded as a reduction of the beneficial interest, FAEW Foundation. Changes in the beneficial interest are recorded as increases or decreases in net assets with donor restrictions.

6. Pledges Receivable

Unconditional promises are included in the financial statements as pledges receivable and revenue within 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 2026 and 2025.

At June 30, 2026 and 2025, $10,000 of the total balance is donor restricted to be used for specific purposes. The remaining outstanding pledges are to be used for operations.

Pledges receivable outstanding at June 30 are as follows:

	2026	2025
In one year or less	$ 304,500	$ 62,550
Between one year and five years	163,000	217,500
Less present value discount	(35,868)	(25,998)
Total	$ 431,632	$ 254,052

7. 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. The agreement indicated that the line of credit shall continue in full force and effect until it is paid in full or either party agrees in writing to terminate the agreement. As of June 30, 2026 and 2025, there were no draws on this line of credit.

8. Net Assets

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

	2026	2025
Food fund	$ 358,461	$ 335,160
Inventory, USDA	-	49,360
Time restriction	431,632	254,052
Special projects	1,963,684	2,325,073
Future donated space	150,000	-
FAEW Foundation	3,773,133	3,171,346
Greater Milwaukee Foundation Fund	432,634	399,475
Total purpose and time restricted	7,109,544	6,534,466
Greater Milwaukee Foundation Fund	1,135,515	1,053,380
Total funds held in perpetuity	1,135,515	1,053,380
Total net assets with donor restrictions	$ 8,245,059	$ 7,587,846

9. 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:

	2026	2025
Cash and cash equivalents	$ 1,832,046	$ 2,461,202
Accounts and grants receivable	1,174,574	669,710
Current pledges receivable, less gifts with purpose restrictions (Note 7)	294,500	52,550
Financial assets available to meet cash needs for general expenditures within one year	$ 3,301,120	$ 3,183,462

None of the financial assets in the table above 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.

Certain amounts on the statements of financial position are segregated to meet donor restrictions and are not included in the management's liquidity calculation. 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 $5,473,852 of designated net assets.

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.

10. 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.

11. 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, 2026 and 2025 was $113,286 and $103,234, respectively.

12. 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 five 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:

	2026	2025
Operating lease cost	$ 17,610	$ 24,277
Finance lease cost:		
Amortization of right-of-use assets	136,099	171,014
Interest on lease liabilities	39,408	49,843
Total	$ 193,117	$ 245,134

Supplemental cash flow information related to leases was as follows:

	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 17,610	$ 24,277
Operating cash flows from finance leases	39,407	49,843
Financing cash flows from finance leases	156,608	171,014
Total	$ 213,625	$ 245,134

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

	2026	2025
Right-of-use assets included in property and equipment, net on statements of financial position:		
Operating lease right-of-use assets	$ 36,135	$ 28,148
Finance lease right-of-use assets	1,861,351	1,839,239
Accumulated depreciation	(1,505,499)	(1,336,279)
Total	$ 391,987	$ 531,108
Right-of-use assets obtained in exchange for new finance lease liabilities	$ 22,113	$ 8,684
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 25,391	$ 19,949
Weighted average remaining lease term:		
Operating leases	two years	three years
Finance leases	three years	three years

Weighted average discount rate:		
Operating leases	4.75%	4.75%
Finance leases	7.75	7.63

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 ending after June 30, 2026:

Years ending June 30:	
2027	$ 178,572
2028	163,212
2029	146,364
2030	21,640
Total future minimum lease payments	509,788
Less interest	(57,668)
Present value of future minimum lease payments	452,120
Less current portion	(148,766)
Long-term finance lease obligation	$ 303,354

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 ending June 30, 2026:

Years ending June 30:	
2027	$ 17,300
2028	12,672
2029	8,339
Total future minimum lease payments	38,311
Less interest	(2,249)
Present value of future minimum lease payments	36,062
Less current portion	(15,902)
Long-term operating lease obligation	$ 20,160

13. 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, 2026 and 2025.

Board members typically make contributions to the Organization and may also be from firms or foundations that contribute to the Organization. In addition, Board members may be employees of firms with which the Organization has business relationships. Annually, Board members are required to disclose those interests.

14. Contributed Nonfinancial Assets

Contributed nonfinancial assets are comprised of donated product and product received from the USDA. 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.

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

The Organization receives donated rent for a warehouse being used as part of the hydroponic farm. The donated use of facilities is valued at its estimated fair value based on observable market rental rates for comparable space in the applicable geographic area. Donated equipment to be returned to donor is based on the estimated fair value on the date of donation. Fair value is determined using observable market information, including the estimated selling price of comparable equipment, when available.

15. 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.

16. Subsequent Events

The Organization has evaluated subsequent events through October 28, 2026, 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.