



**JOHNSON BLOCK**  
**CPAs**



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

**December 31, 2023 and 2022**

**THE RIVER FOOD PANTRY, INC.**

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**December 31, 2023 and 2022**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinion**

We have audited the accompanying financial statements of The River Food Pantry, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The River Food Pantry, Inc. as of December 31, 2023 and 2022, 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The River Food Pantry, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The River Food Pantry, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The River Food Pantry, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The River Food Pantry, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
May 23, 2024

**THE RIVER FOOD PANTRY, INC.**  
**Madison, Wisconsin**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2023 and 2022**

	2023	2022
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Restricted Cash	\$ 2,865,127	\$ 2,024,304
Certificates of Deposit	1,420,464	1,657,873
Promises to Give, Due Within One Year	1,016,091	102,500
Accounts Receivable	32,723	13,454
Grants Receivable	1,518,040	1,611,686
Amounts Held in Escrow	125,000	-
Prepaid Expenses	71,991	22,855
Inventory	1,936	1,936
Total Current Assets	7,051,372	5,434,608
<u>Property and Equipment</u>		
Equipment and Leasehold Improvements, Net	791,772	422,996
Total Property and Equipment	791,772	422,996
<u>Other Assets</u>		
Promises to Give Due in More than One year, Net	1,359,572	-
Operating Lease Right-of-Use Asset	58,321	114,893
Total Other Assets	1,417,893	114,893
 TOTAL ASSETS	 \$ 9,261,037	 \$ 5,972,497
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 103,823	\$ 53,923
Accrued Payroll and Related Expenses	96,566	72,938
Refundable Advance	-	470,334
Operating Lease Liability, Due Within One Year	60,078	56,555
Total Current Liabilities	260,467	653,750
<u>Long-term Liabilities</u>		
Operating Lease Liability, Due in More Than One Year	-	60,078
Total Long-term Liabilities	-	60,078
<u>Net Assets</u>		
Net Assets with Donor Restrictions	5,803,526	2,040,680
Net Assets without Donor Restrictions	3,197,044	3,217,989
Total Net Assets	9,000,570	5,258,669
 TOTAL LIABILITIES AND NET ASSETS	 \$ 9,261,037	 \$ 5,972,497

The accompanying notes are an integral part of these financial statements

**THE RIVER FOOD PANTRY, INC.**  
**Madison, Wisconsin**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended December 31, 2023 and 2022**

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
<u>Support and Revenues</u>		
Contributed Nonfinancial Assets	\$ 9,783,560	\$ 8,239,099
Contributions	2,426,087	2,177,961
Government Grants	15,907	133,810
Sales to Others	56,366	20,743
Interest Income	21,476	8,890
Unrealized Gain (Loss) on Investments	12	(140)
Net Assets Released From Restrictions	540,680	25,000
Total Support and Revenues without Restrictions	12,844,088	10,605,363
<u>Expenses</u>		
Food Pantry	12,072,006	9,924,578
Management & General	300,399	219,580
Fundraising	492,628	307,543
Total Expenses	12,865,033	10,451,701
Change in Net Assets Without Donor Restrictions	(20,945)	153,662
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	4,303,526	540,680
Government Grants	-	1,500,000
Net Assets Released From Restrictions	(540,680)	(25,000)
Change in Net Assets with Donor Restrictions	3,762,846	2,015,680
Total Change in Net Assets	3,741,901	2,169,342
Net Assets at Beginning of Year	5,258,669	3,089,327
Net Assets at End of Year	\$ 9,000,570	\$ 5,258,669

The accompanying notes are an integral part of these financial statements

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

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

The accompanying notes are an integral part of these financial statements

**THE RIVER FOOD PANTRY, INC.**  
**Madison, Wisconsin**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2022**

	<u>Food Pantry</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>
Assistance - Food	\$ 8,166,458	\$ -	\$ -	\$ 8,166,458
Assistance - Clothing	585,083	-	-	585,083
Personnel	873,298	96,378	225,009	1,194,685
Lease Expense	56,548	1,301	1,301	59,150
Office and Program Supplies	24,143	9,013	473	33,629
Professional Services	-	45,535	-	45,535
Capital Campaign Consulting	-	-	46,800	46,800
Insurance	25,891	2,857	6,671	35,419
Utilities	40,977	943	943	42,863
Office Expenses	-	43,382	-	43,382
Vehicles	36,292	4,005	9,351	49,648
Marketing and Promotion	-	-	11,191	11,191
Printing and Postage	6,918	763	1,783	9,464
Repairs and Maintenance	26,744	615	615	27,974
Volunteer Supplies	783	-	-	783
Depreciation Expense	68,833	1,584	1,584	72,001
Telephone	6,913	763	1,781	9,457
Travel	159	18	41	218
Miscellaneous	5,538	12,423	-	17,961
	<u>\$ 9,924,578</u>	<u>\$ 219,580</u>	<u>\$ 307,543</u>	<u>\$ 10,451,701</u>

The accompanying notes are an integral part of these financial statements



**THE RIVER FOOD PANTRY, INC.**  
**Madison, Wisconsin**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2023 and 2022**

	2023	2022
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 3,741,901	\$ 2,169,342
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	80,412	72,001
Loss on Disposal of Fixed Assets	2,448	5,538
Changes in operating assets and liabilities:		
Promises to Give	(2,273,163)	260,561
Accounts Receivable	(19,269)	(12,942)
Grants Receivable	93,646	(1,611,686)
Amounts Held in Escrow	(125,000)	-
Prepaid Expenses	(49,136)	(6,102)
Inventory	-	(1,936)
Operating Lease Assets and Liabilities	17	1,740
Accounts Payable	49,900	39,458
Accrued Payroll and Related Expenses	23,628	(707)
Refundable Advance	(470,334)	381,812
Net cash provided (used) by operating activities	1,055,050	1,297,079
<u>Cash Flows from Investing Activities:</u>		
Proceeds from Redemption of Certificates of Deposit	503,249	350,490
Purchases of Certificates of Deposit	(250,000)	(1,000,000)
Interest Retained in Certificates of Deposit	(15,840)	(7,364)
Purchases of Property and Equipment	(451,636)	(153,324)
Proceeds from Sale of Equipment	-	6,500
Net cash provided (used) by investing activities	(214,227)	(803,698)
Net (Decrease) Increase in Cash	840,823	493,381
Cash and Cash Equivalents at Beginning of Year	2,024,304	1,530,923
Cash and Cash Equivalents at End of Year	\$ 2,865,127	\$ 2,024,304

The accompanying notes are an integral part of these financial statements

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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

**Nature of Business**

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

**Basis of Presentation**

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

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

**Net Assets with Donor Restrictions** – Consist of net assets that are subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit The River’s choices of when to use these resources. Additionally, the investment held at The River is considered to be restricted. See note 9 for additional information.

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

**Cash and Cash Equivalents**

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

**Promises to Give**

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

Conditional promises to give are recognized only when the condition on which they depend are substantially met and the promises become unconditional. There were no conditional promises to give as of December 31, 2023 and 2022.

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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

**Equipment and Depreciation**

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

**Inventories**

Inventory is comprised of recipe books and merchandise held for sale and is stated at the lower of cost or market determined by the first in – first out method. No allowance for inventory obsolescence has been recorded at December 31, 2023 and 2022.

**Grants**

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

The River has one grant that is conditioned upon The River incurring qualifying expenses under the agreement. At December 31, 2022, the remaining amount of the conditional grant to be received totaled \$470,334. There were no conditional grants outstanding as of December 31, 2023.

**Contributions**

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

Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized.

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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

**Contributed Nonfinancial Assets**

Contributed nonfinancial assets include donated food, clothing, pantry supplies, and professional services which are recorded at their fair value at the date they are received. Contributed services are recorded in the financial statement to the extent that those services create or enhance a nonfinancial asset or meet the following criteria: 1) the service requires specialized skills, b) the service is provided by individuals who possess those skills, and c) the service would typically need to be purchased if not contributed. Many individuals volunteer their time and perform a variety of tasks that assist The River with programs throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. Based on a national study of volunteers, the value of the unrecognized volunteer time is estimated for December 31, 2023 and 2022 to be approximately \$1,313,499 and \$1,113,000, respectively.

**Functional Allocation of Expenses**

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

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

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

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

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

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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

**Income Taxes**

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

The River evaluates its uncertain tax positions in accordance with professional standards. For the year ended 2023, The River believes all tax positions to be highly certain.

The River's federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, The River is no longer subject to such examinations for years before 2020.

**Use of Estimates**

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

**Advertising**

The River uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. Advertising expenses for December 31, 2023 and 2022 were \$17,121 and \$10,216, respectively.

**Reclassifications**

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

**Date of Management's Review**

Management has evaluated subsequent events through May 23, 2024, the date which the financial statements were available to be issued.

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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

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

The following table reflects The River's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general expenditure within one year.

	2023	2022
Cash and Restricted Cash	\$ 2,865,127	\$ 2,024,304
Certificates of Deposit	1,420,464	1,657,873
Accounts Receivable	32,723	13,454
Promises to Give	2,375,663	102,500
Grants Receivable	1,518,040	1,611,686
Total Financial Assets	8,212,017	5,409,817
Less Those Unavailable For General Expenditure Within One Year Due To:		
Net Assets with Donor Restrictions	(5,803,526)	(2,040,680)
Certificates of Deposit Maturing in More than One Year	-	(352,846)
Unemployment Reserve	(7,021)	(7,021)
	(5,810,547)	(2,400,547)
Financial Assets Available To Meet Cash Needs For Expenditures Within One Year	\$ 2,401,470	\$ 3,009,270

**3. CASH AND RESTRICTED CASH**

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

	2023	2022
Cash and Cash Equivalents	\$ 2,858,106	\$ 2,017,283
Cash Restricted for Unemployment Reserve Fund	7,021	7,021
Total Cash and Restricted Cash	\$ 2,865,127	\$ 2,024,304

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**4. CONCENTRATION OF CREDIT RISK**

Financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents. Deposits in each local and area bank are insured by the FDIC (Federal Deposit Insurance Corporation) in the amount of \$250,000 and in each local credit union are insured by the NCUSIF (National Credit Union Share Insurance Fund) in the amount of \$250,000. At December 31, 2023 and 2022 The River had uninsured balances with the financial institutions of \$3,555,961 and \$3,064,773, respectively.

**5. UNEMPLOYMENT RESERVE FUND**

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

**6. UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Within one year	\$ 1,016,091	\$ 102,500
In one to five years	1,435,425	-
	<u>2,451,516</u>	<u>102,500</u>
Less discount to net present value	(75,853)	-
Net unconditional promises to give	<u>\$ 2,375,663</u>	<u>\$ 102,500</u>

**7. PROPERTY AND EQUIPMENT**

A summary of fixed assets for the years ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Nondepreciable Assets:		
Construction work in progress	\$ 185,758	\$ 1,528
Total Nondepreciable Assets	<u>185,758</u>	<u>1,528</u>
Depreciable Assets:		
Leasehold improvements	195,447	195,447
Equipment	468,650	451,026
Vehicles	509,039	263,847
Website	8,400	8,400
	<u>1,181,536</u>	<u>918,720</u>
Less Accumulated Depreciation	575,522	497,252
Total Depreciable Assets	<u>606,014</u>	<u>421,468</u>
Property and Equipment, Net	<u>\$ 791,772</u>	<u>\$ 422,996</u>

Depreciation expense was \$80,412 for 2023 and \$72,001 for 2022.

**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**8. CONTRIBUTED NONFINANCIAL ASSETS**

In 2023 and 2022, the donated food was valued at \$2.68 and \$2.53 per pound, respectively. In 2023 and 2022, the donated used clothing was valued at \$5.25 per pound and bulk donated new clothing was valued at its fair market value. The River's donated materials and services consist of the following:

	<u>2023</u>	<u>2022</u>
Food	\$ 8,476,800	\$ 7,629,161
Clothing	1,063,144	462,625
Other Goods	215,874	33,972
Office and Program Supplies	15,418	103,696
Building Maintenance	-	3,578
Professional Fees	7,000	-
Consulting Services	5,324	6,067
	<u>\$ 9,783,560</u>	<u>\$ 8,239,099</u>

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

**9. LEASES**

The River leases food pantry and office space under a noncancelable operating lease that expires December 2024 and requires monthly payments of \$4,379, with annual increases of 3%. Included in the determination of the right-of-use assets and lease liabilities are any renewal options when the options are reasonably certain to be exercised. The operating lease requires The River to maintain public liability insurance coverage.

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

The total lease costs for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Operating Lease Cost	\$ 59,150	\$ 59,150



**THE RIVER FOOD PANTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**9. LEASES (CONTINUED)**

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

	<u>2023</u>	<u>2022</u>
Cash Paid For Amounts Included In The Measurement Of Lease Liabilities		
Operating Cash Flows From Operating Leases	\$ 59,132	\$ 57,410
Right-Of-Use Assets Obtained In Exchange For Lease Liabilities		
Operating Leases	\$ -	\$ 169,819

The weighted-average discount rate is 3% for the weighted-average remaining lease term of 1 year.

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2023:

<u>December 31,</u>	<u>Operating</u>
2024	\$ 60,906
Total Lease Payments	60,906
Less: Interest	(828)
Total Lease Liabilities	<u>\$ 60,078</u>

**10. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions for the year ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Restricted for a specified purpose:		
Food Pantry Operations	\$ 42,631	\$ 438,180
Capital Campaign	5,760,895	1,500,000
Restricted for a specified time period:		
Promises to Give, Unavailable for Expenditure Until Due	-	102,500
Total Net Assets with Donor Restrictions	<u>\$ 5,803,526</u>	<u>\$ 2,040,680</u>

**11. RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2022, The River contracted with a board member for marketing services, in the amount of \$3,840. The River has a conflict of interest policy in place. There were no related party transactions during the year ended December 31, 2023.

**THE RIVER FOOD PANTRY, INC.**  
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**12. COMMITMENTS**

On December 14, 2018, The River entered into a three-year agreement with Aberdeen Consulting LLC beginning January 1, 2019 for information and technology services that requires monthly payments of \$1,085. Upon the end of the first agreement, The River entered into another three-year agreement with Aberdeen Consulting LLC beginning February 1, 2022 for information and technology services that requires monthly payments of \$1,201. Future minimum payments due under the contract are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 14,412
2025	1,201

The River will be purchasing land to use for the future building as part of the capital campaign that began in 2022. The River received a letter of intent to sell from the owner of land in July 2022. The agreed purchase price is \$1,225,000. In 2023 The River place \$125,000 in escrow as earnest money related to the purchase.

In 2023, The River contracted with an architecture firm for services related to design and construction administration for the planned building. Total costs under the contract are approximately \$274,500. Total costs incurred at through the end of 2023 were approximately \$132,800.

On November 13, 2023, The River secured a construction loan commitment through a local financial institution. Draws on the loan will be made to finance construction of a new food pantry facility. The maximum amount of the loan is \$5,900,000 with a variable interest rate at .65% plus the prime interest rate. The loan will be secured by a first mortgage on the property The River will purchase for the future building site.

**13. SUBSEQUENT EVENTS**

In February of 2024, The River entered into a contract for the purchase of a food truck for \$153,517.