

**WAYFORWARD RESOURCES, INC.**

FINANCIAL STATEMENTS

March 31, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
WayForward Resources, Inc.  
Middleton, Wisconsin

### ***Opinion***

We have audited the financial statements of WayForward Resources, Inc., which comprise the statements of financial position as of March 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WayForward Resources, Inc. as of March 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 WayForward Resources, 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 WayForward Resources, 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 GAAS 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, 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 WayForward Resources, 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 WayForward Resources, 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.



Wegner CPAs, LLP  
Madison, Wisconsin  
July 18, 2025

**WAYFORWARD RESOURCES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
March 31, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,301,064	\$ 994,989
Unconditional promises to give	237,367	294,911
Grants receivable	37,934	30,020
Interest receivable	29,040	28,727
Other receivables	1,246	1,822
Inventory	105,335	85,300
Prepaid expenses	1,718	597
Investments	1,217,635	1,157,986
Total current assets	2,931,339	2,594,352
Property and equipment, net	1,930,929	1,983,985
<b>OTHER ASSETS</b>		
Investments	202,808	1,322
Finance lease right-of-use assets	15,618	24,137
Beneficial interest in assets held by Madison Community Foundation	62,598	62,521
Total other assets	281,024	87,980
<b>Total assets</b>	<b>\$ 5,143,292</b>	<b>\$ 4,666,317</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 65,302	\$ 14,316
Accrued payroll, payroll taxes, and benefits	75,090	68,346
Refundable advance	25,350	96,835
Current portion of finance lease liability	8,975	8,533
Current portion of note payable	12,087	11,328
Total current liabilities	186,804	199,358
<b>OTHER LIABILITIES</b>		
Finance lease liability less current portion	7,809	16,785
Note payable less current portion	407,429	419,444
Total other liabilities	415,238	436,229
Total liabilities	602,042	635,587
<b>NET ASSETS</b>		
Without donor restrictions	4,352,556	3,775,901
With donor restrictions	188,694	254,829
Total net assets	4,541,250	4,030,730
<b>Total liabilities and net assets</b>	<b>\$ 5,143,292</b>	<b>\$ 4,666,317</b>

See accompanying notes.

**WAYFORWARD RESOURCES, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended March 31, 2025 and 2024

	2025	2024
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES</b>		
Contributions	\$ 2,896,532	\$ 2,427,613
Donated materials, services, and facilities	3,460,002	3,548,484
Government grants	596,478	66,857
Change in value in beneficial interest in assets held by Madison Community Foundation	77	4,621
Other investment income, net	97,618	71,127
Other income	802	-
<b>Total revenues</b>	<b>7,051,509</b>	<b>6,118,702</b>
<b>EXPENSES</b>		
Program services		
Housing stability	858,760	834,830
Connections	569,826	182,729
Food security (pantry and clothing center)	4,269,381	4,041,642
Seniors program	14,100	26,864
Seasonal programs	52,975	111,924
Advocacy and community education	23,193	20,821
Supporting activities		
Management and general	417,681	456,299
Fundraising	523,305	441,909
<b>Total expenses</b>	<b>6,729,221</b>	<b>6,117,018</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Expiration of time restrictions	241,530	208,437
Satisfaction of purpose restrictions	12,837	48,676
<b>Total net assets released from restrictions</b>	<b>254,367</b>	<b>257,113</b>
<b>Change in net assets without donor restrictions</b>	<b>576,655</b>	<b>258,797</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	188,232	152,593
Net assets released from restrictions	(254,367)	(257,113)
<b>Change in net assets with donor restrictions</b>	<b>(66,135)</b>	<b>(104,520)</b>
<b>Change in net assets</b>	<b>510,520</b>	<b>154,277</b>
Net assets at beginning of year	4,030,730	3,876,453
<b>Net assets at end of year</b>	<b>\$ 4,541,250</b>	<b>\$ 4,030,730</b>

See accompanying notes.

**WAYFORWARD RESOURCES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended March 31, 2025

	Housing Stability	Connections	Food Security (Pantry and Clothing Center)	Seniors Program	Seasonal Programs	Advocacy and Community Education	Management and General	Fundraising	Total Expenses
Food	\$ -	\$ -	\$ 2,760,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,760,807
Personnel	367,788	139,190	343,995	11,253	9,779	10,421	280,065	331,967	1,494,458
Client assistance	443,964	407,819	326,376	-	28,634	-	-	13,279	1,220,072
Clothing	-	-	588,965	-	-	-	-	-	588,965
Occupancy	5,297	4,652	69,809	846	846	3,065	7,140	8,680	100,335
Other	2,503	2,702	14,291	38	5	3,391	55,994	17,602	96,526
Professional fees	12,848	6,081	37,344	391	295	344	30,450	28,001	115,754
Printing	484	67	239	52	105	-	453	37,523	38,923
Equipment	2,219	1,145	35,315	273	273	829	2,285	2,831	45,170
Depreciation and amortization	4,975	2,398	36,744	578	592	2,702	7,179	6,407	61,575
Technology	13,083	3,313	15,212	165	375	950	3,815	11,706	48,619
Supplies	739	414	17,184	96	11,595	16	878	48,062	78,984
Insurance	2,904	1,153	21,052	304	302	1,429	3,157	3,534	33,835
Banking and administrative fees	125	-	7	-	-	-	24,720	-	24,852
Postage	124	124	398	50	124	-	505	12,237	13,562
Telephone	1,707	768	1,643	54	50	46	1,040	1,476	6,784
<b>Total expenses</b>	<b>\$ 858,760</b>	<b>\$ 569,826</b>	<b>\$ 4,269,381</b>	<b>\$ 14,100</b>	<b>\$ 52,975</b>	<b>\$ 23,193</b>	<b>\$ 417,681</b>	<b>\$ 523,305</b>	<b>\$ 6,729,221</b>

See accompanying notes.

**WAYFORWARD RESOURCES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended March 31, 2024

	Housing Stability	Connections	Food Security (Pantry and Clothing Center)	Seniors Program	Seasonal Programs	Advocacy and Community Education	Management and General	Fundraising	Total Expenses
Food	\$ -	\$ -	\$ 3,018,249	\$ -	\$ -	\$ -	\$ -	\$ 21,548	\$ 3,039,797
Personnel	345,821	68,887	287,363	23,777	20,932	12,373	265,338	292,194	1,316,685
Client assistance	444,349	103,174	-	-	78,270	-	-	-	625,793
Clothing	-	-	547,390	-	-	-	-	-	547,390
Occupancy	6,918	1,933	55,793	700	700	2,498	16,569	6,751	91,862
Other	717	1,291	4,795	126	832	1,009	54,916	10,883	74,569
Professional fees	10,415	2,486	13,181	689	554	296	30,801	12,524	70,946
Printing	380	131	304	77	127	10	19,909	42,892	63,830
Equipment	1,719	1,181	41,216	177	148	292	16,128	1,737	62,598
Depreciation and amortization	7,077	1,533	35,275	635	618	2,795	5,192	6,519	59,644
Technology	12,000	565	10,665	158	218	310	10,104	8,547	42,567
Supplies	684	178	6,819	49	8,987	23	9,997	5,165	31,902
Insurance	2,924	835	14,692	278	269	1,162	1,942	2,895	24,997
Banking and administrative fees	-	-	-	-	-	-	23,406	-	23,406
Entertainment	-	-	4,101	-	-	-	-	17,462	21,563
Postage	184	167	384	78	167	-	963	11,495	13,438
Telephone	1,642	368	1,415	120	102	53	1,034	1,297	6,031
<b>Total expenses</b>	<b>\$ 834,830</b>	<b>\$ 182,729</b>	<b>\$ 4,041,642</b>	<b>\$ 26,864</b>	<b>\$ 111,924</b>	<b>\$ 20,821</b>	<b>\$ 456,299</b>	<b>\$ 441,909</b>	<b>\$ 6,117,018</b>

See accompanying notes.

**WAYFORWARD RESOURCES, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended March 31, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 510,520	\$ 154,277
Adjustments to reconcile change in net assets to net change in cash		
Depreciation and amortization	61,575	59,644
Net realized and unrealized (gain) loss on investments	4,202	(24,259)
Donated stock	(54,516)	(17,461)
Change in beneficial interest in assets held by Madison Community Foundation	(77)	(7,069)
(Increase) decrease in assets		
Unconditional promises to give	57,544	66,907
Grants receivable	(7,914)	(7,333)
Interest receivable	(313)	(12,533)
Other receivables	576	(1,392)
Inventory	(20,035)	(85,300)
Prepaid expenses	(1,121)	3,634
Increase (decrease) in liabilities		
Accounts payable	50,986	(2,335)
Accrued payroll, payroll taxes, and benefits	6,744	11,686
Refundable advance	(71,485)	74,148
<b>Net cash flows from operating activities</b>	<b>536,686</b>	<b>212,614</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	(320,921)
Issuance of and interest reinvested in certificates of deposit	(7,729)	(25,887)
Distribution from beneficial interest in assets held by Madison Community Foundation	-	2,448
Purchases of and interest retained in investments	(306,120)	(17,716)
Proceeds from sale of investments	103,028	364,228
<b>Net cash flows from investing activities</b>	<b>(210,821)</b>	<b>2,152</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on note payable	(11,256)	(4,228)
Principal payments on finance lease liability	(8,534)	(8,108)
<b>Net cash flows from financing activities</b>	<b>(19,790)</b>	<b>(12,336)</b>
<b>Net change in cash</b>	<b>306,075</b>	<b>202,430</b>
Cash at beginning of year	994,989	792,559
<b>Cash at end of year</b>	<b>\$ 1,301,064</b>	<b>\$ 994,989</b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	\$ 28,059	\$ 16,005
Noncash investing and financing transactions		
Property acquisition through note payable	-	435,000
Donated stock	54,516	17,461

See accompanying notes.

**WAYFORWARD RESOURCES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

WayForward Resources, Inc. (WayForward) (formerly Middleton Outreach Ministry, Inc.) is a nonprofit charitable organization that provides services to people living in Middleton, Cross Plains, and west side of Madison, Wisconsin area communities with food pantry services expanded to serve all of Dane County. WayForward is supported by contributions from individuals, local businesses, churches, service clubs, the United Way of Dane County, government grants, and other grants and foundations.

**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. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions to be received over periods longer than one year are discounted at an interest rate commensurate with risk involved if material to the financial statements.

**Property and Equipment**

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the estimated fair value of the date of donation. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

**Leases**

WayForward does not recognize short-term leases in the statement of financial position. For these leases, WayForward recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. WayForward also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, WayForward uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Investments**

Investments in certificates of deposit and stocks with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**WAYFORWARD RESOURCES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Beneficial Interest in Assets Held by Madison Community Foundation**

WayForward's beneficial interest in assets held by Madison Community Foundation (the Foundation) represents an agreement between WayForward and the Foundation in which WayForward transfers assets to the Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to WayForward by the Foundation. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

**Government Grants**

WayForward receives grants from government agencies and others that are conditioned upon WayForward incurring qualifying expenses or completing required activities. Revenue from these grants is generally recognized on a reimbursement basis, that is when qualifying expenses are incurred by WayForward, both a receivable from the grantor agency and revenue are recorded. Grants are also restricted by the grantor for a specific purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as an increase in net assets without donor restrictions.

**Donated Services**

Donated services are recognized at estimated market value if the services received create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would otherwise need to be purchased.

**Inventory**

Inventory consists of mainly donated food and clothing. Inventory is tracked in an inventory and scale system and recorded at a value of \$1.97 and \$1.93 per pound of food, respectively, for the years ended March 31, 2025, and 2024. Clothing is recorded at a value of \$5.83 per pound for the years ended March 31, 2025 and 2024.

**Reclassifications**

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

**WAYFORWARD RESOURCES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, printing, professional fees, postage, telephone, technology, supplies, and other, which are allocated on the basis of estimates of staff time and effort; as well as occupancy, insurance, depreciation and amortization, and equipment, which are allocated on a square-footage basis. The following program services and supporting activities are included in the accompanying financial statements:

*Housing stability*—Through the Housing Stability program, case managers assess and provide support to households, including financial housing assistance to help prevent eviction and maintain long-term stable housing. Families receive assistance with rent, security deposits, utilities, and other small emergency grants. In addition, an outreach case manager works with area organizations to facilitate broader access to services for our community.

*Connections*—The Connections housing program serves households in doubled-up living arrangements. Doubling-up is when an individual or family lives with another household temporarily or shuffles indefinitely between homes because of economic need. The Connections program supports individuals through case management and funds to ensure households have a place of their own to call home.

*Food security (pantry and clothing center)*—The In-person food pantry operates five days a week, including evening hours, and serves all of Dane County. Guests can visit as often as they need. Deliveries and mobile pantries provide access to food for those who struggle with transportation. The food pantry provides access to nutritious food such as produce, protein sources, and dairy year-round. The clothing center provides free clothing and bedding.

*Seniors program*—The seniors program keeps seniors (age 60+) independent by providing transportation, shopping, and home chore assistance. The program also delivers groceries from the food pantry.

*Seasonal programs*—The seasonal programs included the Back to School Program and Winter Wishes Program. The Back to School program provided backpacks stuffed with school supplies to clients who signed up for the program. Winter Wishes is a holiday gift card program for clients allowing individuals and families the dignity of choosing their own gifts through shopping.

*Advocacy and community education*—Advocacy and Community Education is essential for creating upstream outcomes to housing instability and food insecurity. This program provides education opportunities for our staff as well as for our volunteers and provides opportunities for community collaboration.

**WAYFORWARD RESOURCES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2025 and 2024

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Management and General*—Management and general activities relate to the overall direction of WayForward and include activities of the board of directors, business management, finance, and general recordkeeping.

*Fundraising*—Fundraising activities include soliciting contributions from individuals, foundations, and others, and grant-writing activities.

**Income Tax Status**

WayForward is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**Date of Management’s Review**

Management has evaluated subsequent events through July 18, 2025, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATION OF CREDIT RISK

WayForward maintains its cash balances at two financial institutions in Madison, Wisconsin. The balances at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At March 31, 2025 and 2024, WayForward's uninsured cash balance totaled approximately \$38,000 and \$154,000, respectively.

NOTE 3—INVESTMENTS

Investments at March 31 are comprised of the following:

	2025	2024
Certificates of deposit	\$ 1,419,121	\$ 1,157,986
Common stock	1,322	1,322
	\$ 1,420,443	\$ 1,159,308

NOTE 4—FAIR VALUE MEASUREMENT

Certificates of deposit are valued at the closing price reported on the market in which they are sold. These funds are classified as level 2 as the value is obtained from market based inputs or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**WAYFORWARD RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
 March 31, 2025 and 2024

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**NOTE 4—FAIR VALUE MEASUREMENT (continued)**

The fair value of the Capital Brewery common stock is based on the trades between individual buyers and sellers as it is not publicly traded. The book value of the common stock is based on the information provided on the stock certificate. Little information about those assets is released publicly. The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

WayForward's beneficial interest in assets held by Madison Community Foundation represents an agreement between WayForward and the Foundation in which WayForward transfers assets to the Foundation in exchange for future distributions. The beneficial interest and equity securities are not actively traded and significant other observable inputs are not available. All investments are considered Level 3 investments. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to WayForward by the Foundation.

**NOTE 5—CONDITIONAL PROMISES TO GIVE**

WayForward has a grant that is conditioned upon WayForward incurring qualifying expenses under the grant program. As of March 31, 2025 and 2024, this conditional grant totaled \$118,329 and \$704,380, respectively. The conditional grant will be recognized as revenue when the respective conditions are met in future years.

**NOTE 6—PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	2025	2024
Land	\$ 1,025,908	\$ 1,025,908
Land improvements	125,715	125,715
Building and improvements	985,484	985,484
Equipment	218,119	231,086
Vehicles	99,119	99,119
Property and equipment	2,454,345	2,467,312
Less accumulated depreciation	523,416	483,327
	\$ 1,930,929	\$ 1,983,985

**NOTE 7—RETIREMENT PLAN**

WayForward has a 401(k) plan for all employees who are 21 years of age or older. WayForward will contribute 3% to all employees who are eligible for the retirement plan. Retirement expense for the years ended March 31, 2025 and 2024 was \$37,108 and 38,697, respectively.

**WAYFORWARD RESOURCES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2025 and 2024

NOTE 8—LEASES

WayForward has a lease for the use of two copy machines with a term of 60 months through February 15, 2027.

The components of total lease cost are as follows:

	<u>2025</u>	<u>2024</u>
Finance lease cost		
Amortization of right-of-use assets	\$ 8,519	\$ 8,519
Interest on lease liabilities	410	575
	<u>8,929</u>	<u>9,094</u>
Total lease cost	<u>\$ 8,929</u>	<u>\$ 9,094</u>

Other information related to leases is as follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 424	\$ 588
Financing cash flows from finance leases	8,519	8,095
Weighted-average remaining lease term	1.83 years	2.83 years
Weighted-average discount rate	1.98%	1.98%

The maturities of lease liabilities as of March 31, 2025, are as follows:

Year ending March 31:	
2026	\$ 9,212
2027	<u>7,867</u>
Total minimum lease payments	17,079
Imputed interest	<u>(295)</u>
Total lease liability	<u>\$ 16,784</u>

NOTE 9—LINE OF CREDIT

WayForward had a \$325,000 line of credit that matured in February 2025, which upon maturity, was renewed for a \$500,000 line of credit that matures on May 29, 2027. Advances on the credit line are payable in a single payment plus accrued monthly interest. The credit line carries a variable interest rate based on prime, which was 8.25% and 8.75% at March 31, 2025 and 2024, respectively. The line is secured by a general business security agreement. As of March 31, 2025 and 2024, the line of credit was unused.

**WAYFORWARD RESOURCES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2025 and 2024

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NOTE 10—PAYCHECK PROTECTION PROGRAM LOAN

On April 17, 2020, WayForward received a \$106,900 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On November 4, 2020, the SBA preliminarily approved forgiveness of the loan plus accrued interest of \$107,489, at which time WayForward reclassified the loan to a grant on the statement of activities. WayForward must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review WayForward’s good-faith certification concerning the necessity of its loan request, whether WayForward calculated the loan amount correctly, whether WayForward used loan proceeds for allowable uses specified in the CARES Act, and whether WayForward is entitled to loan forgiveness in the amount claimed on its application. If SBA determines, WayForward was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 11—DONATED MATERIALS, SERVICES, AND FACILITIES

Donated materials, services, and facilities recognized within the statement of activities include:

	2025	2024
Food	\$ 2,742,496	\$ 2,867,021
Clothing	582,382	558,875
Supplies and other items	88,090	99,929
Facilities	3,240	1,440
Professional fees	43,794	21,219
	\$ 3,460,002	\$ 3,548,484

Food is valued at \$1.97 and \$1.93 per pound, respectively, for the years ended March 31, 2025 and 2024, based off a valuation published by Feeding America. Clothing is valued at \$5.83 per pound based off a valuation that WayForward estimated in fiscal year 2020 by comparison to other thrift store prices. In valuing supplies and other items and facilities, WayForward estimated the fair value based on estimated fair value that would be received for similar products or space. Food, clothing, facilities, and supplies and other items are used for client assistance and operations. Professional fees were used across all functions and the fair value was based on current rates for similar services provided by the vendors. No donated materials and services received were restricted for use. During the years ended March 31, 2025 and 2024, WayForward received 27,182 and 26,660 hours of volunteer time, respectively. No amounts have been recognized in the financial statements for these services because the criteria for recognition have not been satisfied.

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**NOTE 12—NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions for the years ended March 31 are restricted for the following periods or purposes:

	2025	2024
For subsequent years' activities	\$ 181,189	\$ 241,530
Subject to purpose restrictions:		
School supplies	7,041	8,729
Caring Closets	-	4,108
Other	464	462
	\$ 188,694	\$ 254,829

**NOTE 13—NET ASSETS WITHOUT DONOR RESTRICTIONS**

The board of directors has designated net assets without donor restrictions for the years ended March 31 for the following purposes:

	2025	2024
Undesignated	\$ 2,704,931	\$ 2,285,899
Board-designated		
Capacity building	348,754	348,754
Capital reserve	351,381	337,077
Operating reserve	884,892	741,650
MCF endowment	62,598	62,521
	\$ 4,352,556	\$ 3,775,901

**NOTE 14—BOARD-DESIGNATED ENDOWMENT**

At March 31, 2025 and 2024, WayForward's board of directors has designated \$62,598 and \$62,521, respectively, of net assets without donor restrictions as a general endowment fund to support the mission of WayForward. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

WayForward established a fund at the Madison Community Foundation (Foundation) to invest its endowment assets. The agreement between WayForward and the Foundation states that the transfer of assets is irrevocable and that the transferred assets will not be returned to WayForward. However, the Foundation will make annual distributions of the income earned on the fund subject to the Foundation's spending policy. The agreement also grants variance power to the Foundation, which permits the Foundation to substitute another beneficiary in place of WayForward if WayForward ceases to exist or if the Foundation's board of governors votes that support of WayForward either is no longer necessary or is inconsistent with the needs of the community.

The Foundation's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. The Foundation seeks to achieve this goal through cost-effective implementation at an appropriate level

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NOTE 14—BOARD-DESIGNATED ENDOWMENT (continued)

of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through incorporating risk-based assets, including nonmarketable, illiquid alternatives. Composition of and changes in endowment net assets for the years ended March 31, were as follows:

	2025	2024
Board-designated endowment net assets at beginning of the year	\$ 62,521	\$ 57,900
Change in value of beneficial interest	77	7,069
Distributions	-	(2,448)
Board-designated endowment net assets at end of the year	\$ 62,598	\$ 62,521

NOTE 15—COMMUNITY TRUST FUND

WayForward also has a component fund at the Foundation that was established in 2019. The Foundation, as a community trust, serves the mutual interests of Dane County and those individuals and organizations who wish to enhance the quality of life in the community through charitable giving. Component funds of the Foundation are established by donors for the benefit of the community, and, when these funds are established, donors may indicate what organizations or causes should benefit from distributions from the fund. However, donors also grant the Foundation variance power that allows the Foundation to modify the donors' stipulations under certain circumstances as the Foundation monitors the changing needs of the community. Therefore, the funds are not included in WayForward's financial statements.

The amount available for annual distributions represents 5% of a rolling twelve-quarter average. All other interest and appreciation are added to the funds. Principal may not be drawn from the funds except with approval of the Foundation's board of governors. The fair value of the fund at March 31, 2025 and 2024, were \$63,014 and \$58,213, respectively, and there were no draws for either year.

NOTE 16—NOTE PAYABLE

WayForward has a 6.5% note payable with monthly payments of \$3,276 including principal and interest with a final balloon payment due at maturity. The note matures in September 2028 and is secured by the property. Future minimum principal payments for the years ending March 31 are as follows:

2026	\$ 12,087
2027	12,896
2028	13,760
2029	380,773
Future minimum principal payments	\$ 419,516

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NOTE 17—LIQUIDITY AND AVAILABILITY

The table below reflects the financial assets as of the date of the statement of financial position, reduced by amounts not available for general expenditures within one year of the statement of financial position date because of contractual, board designations, or donor-imposed restrictions:

	2025	2024
Cash	\$ 1,301,064	\$ 994,989
Unconditional promises to give	237,367	294,911
Grants receivable	37,934	30,020
Interest receivable	29,040	28,727
Other receivables	1,246	1,822
Investments	1,420,443	1,159,308
Beneficial interest in assets held by Madison Community Foundation	62,598	62,521
Financial assets at year-end	\$ 3,089,692	\$ 2,572,298
Less those unavailable for general expenditures within one year, due to contractual, board designations, or donor-imposed restrictions:		
Board-designated capacity building	(348,754)	(348,754)
Board-designated capital reserve	(351,381)	(337,077)
Board-designated operating reserve	(884,892)	(741,650)
Beneficial interest in assets held by Madison Community Foundation	(62,598)	(62,521)
Long-term investments	(202,808)	(1,322)
Restricted by donor with purpose or period restrictions	(188,694)	(254,829)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,050,565	\$ 826,145

WayForward has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations that come due. Due to the timing of WayForward's contributions, WayForward holds liquid cash balances as working capital to fund its obligations during the year. The rest of WayForward's liquid assets are to fund fluctuations in contributions, unforeseen events, future program needs, and planned and unexpected building maintenance and repairs.

The purpose of the board designated operating reserve fund is to help ensure the long-term financial stability of WayForward and position it to respond to varying economic conditions and changes affecting WayForward's financial position and ability to carry out its mission. The target amount to be maintained in the operating reserve fund is equal to three months of the current operating budget (less in-kind). The purpose of the board designated capital reserve fund is to fund significant future anticipated capital projects (improvements and maintenance) for its property, building, vehicles, and equipment. The purpose of the board designated capacity building fund is to finance new programs that align with WayForward's mission, allowing the organization time to create sustainable funding plans for these programs. The fund also supports organizational investment that allows for accelerated capacity building. As more fully described in Note 9, WayForward also has a line of credit in the amount of \$500,000, which it could draw upon in the event of an unanticipated liquidity need.