WAYFORWARD RESOURCES, INC.

FINANCIAL STATEMENTS

March 31, 2026 and 2025

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Wegner CPAs

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, 2026 and 2025, 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, 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.

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 23, 2026

WAYFORWARD RESOURCES, INC.
STATEMENTS OF FINANCIAL POSITION
March 31, 2026 and 2025

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	$ 1,767,210	$ 1,301,064
Investments	1,313,937	1,217,635
Inventory	116,010	105,335
Unconditional promises to give	546,067	237,367
Grants receivable	14,035	37,934
Interest receivable	29,759	29,040
Other receivables	-	1,246
Prepaid expenses	13,158	1,718
Total current assets	3,800,176	2,931,339
Property and equipment, net	1,984,035	1,930,929
OTHER ASSETS		
Investments	200,758	202,808
Finance lease right-of-use assets	7,099	15,618
Unconditional promises to give, net	626,531	-
Beneficial interest in assets held by Madison Community Foundation	69,840	62,598
Total other assets	904,228	281,024
Total assets	$ 6,688,439	$ 5,143,292
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 74,571	$ 65,302
Accrued payroll, payroll taxes, and benefits	106,368	75,090
Refundable advance	-	25,350
Current portion of finance lease liability	7,809	8,975
Current portion of note payable	12,896	12,087
Total current liabilities	201,644	186,804
OTHER LIABILITIES		
Finance lease liability less current portion	-	7,809
Note payable less current portion	291,676	407,429
Total other liabilities	291,676	415,238
Total liabilities	493,320	602,042
NET ASSETS		
Without donor restrictions	5,005,879	4,352,556
With donor restrictions	1,189,240	188,694
Total net assets	6,195,119	4,541,250
Total liabilities and net assets	$ 6,688,439	$ 5,143,292

See accompanying notes.

WAYFORWARD RESOURCES, INC.
STATEMENTS OF ACTIVITIES
Years Ended March 31, 2026 and 2025

	2026	2025
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions	$ 3,521,484	$ 2,896,532
Donated materials, services, and facilities	4,045,518	3,460,002
Government grants	202,357	596,478
Change in value in beneficial interest in assets held by Madison Community Foundation	7,242	77
Investment return, net	104,494	97,618
Other income	2,589	802
Total revenues without donor restrictions	7,883,684	7,051,509
EXPENSES		
Program services		
Housing stability	953,747	858,760
Connections	266,925	569,826
Food security (pantry and clothing center)	4,896,420	4,269,381
Seniors program	-	14,100
Seasonal programs	43,484	52,975
Advocacy and community education	42,072	23,193
Supporting activities		
Management and general	523,789	417,681
Fundraising	690,774	523,305
Total expenses	7,417,211	6,729,221
NET ASSETS RELEASED FROM RESTRICTIONS		
Expiration of time restrictions	181,189	241,530
Satisfaction of purpose restrictions	5,661	12,837
Total net assets released from restrictions	186,850	254,367
Change in net assets without donor restrictions	653,323	576,655
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	1,187,396	188,232
Net assets released from restrictions	(186,850)	(254,367)
Change in net assets with donor restrictions	1,000,546	(66,135)
Change in net assets	1,653,869	510,520
Net assets at beginning of year	4,541,250	4,030,730
Net assets at end of year	$ 6,195,119	$ 4,541,250

See accompanying notes.

WAYFORWARD RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2026

	Housing Stability	Connections	Food Security (Pantry and Clothing Center)	Seasonal Programs	Advocacy and Community Education	Management and General	Fundraising	Total Expenses
Food	$ -	$ -	$ 3,052,696	$ -	$ -	$ -	$ -	$ 3,052,696
Personnel	370,580	99,564	376,784	8,299	20,591	355,092	499,650	1,730,560
Client assistance	528,990	153,328	315,615	32,369	-	-	-	1,030,302
Clothing	-	-	905,493	-	-	-	-	905,493
Other	6,749	22	16,447	49	12,381	59,255	15,603	110,506
Professional fees	12,194	3,548	21,601	280	497	38,985	27,325	104,430
Occupancy	5,616	2,733	67,056	845	2,932	11,943	10,580	101,705
Technology	17,808	3,348	15,203	268	886	6,699	19,135	63,347
Equipment	681	389	58,226	110	165	1,562	1,011	62,144
Depreciation and amortization	5,057	1,974	34,425	519	2,549	6,571	6,881	57,976
Printing	361	68	1,328	136	-	531	39,158	41,582
Banking and administrative fees	-	-	-	-	-	37,405	-	37,405
Insurance	3,302	1,099	22,148	322	1,535	3,613	4,039	36,058
Supplies	972	291	7,837	96	484	519	33,293	43,492
Entertainment	-	-	-	-	-	-	18,180	18,180
Postage	157	157	157	157	-	629	14,379	15,636
Internet	1,280	404	1,404	34	52	985	1,540	5,699
Total expenses	$ 953,747	$ 266,925	$ 4,896,420	$ 43,484	$ 42,072	$ 523,789	$ 690,774	$ 7,417,211

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
Professional fees	12,848	6,081	37,344	391	295	344	30,450	28,001	115,754
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
Supplies	739	414	17,184	96	11,595	16	878	48,062	78,984
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
Equipment	2,219	1,145	35,315	273	273	829	2,285	2,831	45,170
Printing	484	67	239	52	105	-	453	37,523	38,923
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
Total expenses	$ 858,760	$ 569,826	$ 4,269,381	$ 14,100	$ 52,975	$ 23,193	$ 417,681	$ 523,305	$ 6,729,221

See accompanying notes.

WAYFORWARD RESOURCES, INC.
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,653,869	$ 510,520
Adjustments to reconcile change in net assets to net change in cash		
Depreciation and amortization	57,976	61,575
Net realized and unrealized losses on investments	14,286	4,202
Donated stock	(62,582)	(54,516)
Change in beneficial interest in assets held by Madison Community Foundation	(7,242)	(77)
(Increase) decrease in assets		
Unconditional promises to give	(935,231)	57,544
Grants receivable	23,899	(7,914)
Interest receivable	(719)	(313)
Other receivables	1,246	576
Inventory	(10,675)	(20,035)
Prepaid expenses	(11,440)	(1,121)
Increase (decrease) in liabilities		
Accounts payable	9,269	50,986
Accrued payroll, payroll taxes, and benefits	31,278	6,744
Refundable advance	(25,350)	(71,485)
Net cash flows from operating activities	738,584	536,686
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(102,563)	-
Purchases of and interest retained in investments	(338,523)	(313,849)
Proceeds from sale of investments	292,567	103,028
Net cash flows from investing activities	(148,519)	(210,821)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	(114,944)	(11,256)
Principal payments on finance lease liability	(8,975)	(8,534)
Net cash flows from financing activities	(123,919)	(19,790)
Net change in cash	466,146	306,075
Cash at beginning of year	1,301,064	994,989
Cash at end of year	$ 1,767,210	$ 1,301,064
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 24,140	$ 28,059
Noncash investing and financing transactions		
Donated stock	62,582	54,516

See accompanying notes.

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. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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.

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 $1.90 and $1.97 per pound of food for the years ended March 31, 2026 and 2025, respectively. Clothing is recorded at a value of $7.68 and $5.83 per pound for the years ended March 31, 2026 and 2025, respectively.

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 temporarily or indefinitely lives with another household 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 year-round access to nutritious food, including produce, protein sources, and dairy. During the holidays, the pantry provides Thanksgiving-specific food and Holiday Baking Baskets for its guests. 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. This program was termed as of fiscal year 2025.

Seasonal program—WayForward's seasonal program, Back to School, provides children and students with backpacks filled with age-appropriate school supplies so they can start the school year with the tools they need.

Advocacy and community education—Advocacy and Community Education are essential for creating upstream outcomes that address housing instability and food insecurity and respond to systemic inequities. This program provides educational opportunities for our staff and volunteers, as well as opportunities for community collaboration.

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 23, 2026, the date which the financial statements were available to be issued.

NOTE 2—PROMISES TO GIVE

Unconditional promises to give are as follows:

	2026	2025
Receivable in less than one year	$ 546,067	$ 237,367
Receivable in one to five years	675,000	-
Less discounts to net present value	(48,469)	-
Unconditional promises to give, net	$ 1,172,598	$ 237,367

Unconditional promises to give receivable in more than one year are discounted at 3.796%.

WayForward has a grant that is conditioned upon WayForward incurring qualifying expenses under the grant program. As of March 31, 2026 and 2025, this conditional grant totaled $160,965 and $118,329, respectively. The conditional grant will be recognized as revenue when the respective conditions are met in future years.

NOTE 3—INVESTMENTS

Investments at March 31 are comprised of the following:

	2026	2025
Certificates of deposit	$ 1,513,373	$ 1,419,121
Common stock	1,322	1,322
	$ 1,514,695	$ 1,420,443

NOTE 4—FAIR VALUE MEASUREMENTS

WayForward reports certain assets and liabilities at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal, or most advantageous, market in an orderly transaction between market participants on the measurement date. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-level hierarchy categorizes the inputs as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active inputs other than quoted process that are observable for the asset or liability.

Level 3 – unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to WayForward's assessment of the quality, risk, or liquidity profile of the asset or liability.

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.

NOTE 4—FAIR VALUE MEASUREMENTS (continued)

The fair value of the 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.

The following table presents assets measured at fair value:

	Fair Value Measurements at March 31, 2026			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ 1,513,373	$ -	$ 1,513,373	$ -
Capital Brewery common stock	1,322	-	-	1,322
Beneficial interest in assets held by Madison Community Foundation	69,840	-	-	69,840
	$ 1,584,535	$ -	$ 1,513,373	$ 71,162

	Fair Value Measurements at March 31, 2025			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ 1,419,121	$ -	$ 1,419,121	$ -
Capital Brewery common stock	1,322	-	-	1,322
Beneficial interest in assets held by Madison Community Foundation	62,598	-	-	62,598
	$ 1,483,041	$ -	$ 1,419,121	$ 63,920

NOTE 4—FAIR VALUE MEASUREMENTS (continued)

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended March 31, 2026 and 2025:

	Fair Value Measurements at March 31, 2026 Using Significant Unobservable Inputs (Level 3)	
	Capital Brewery common stock	Beneficial interest in assets held by Madison Community Foundation
Balance at March 31, 2025	$ 1,322	$ 62,598
Change in value of beneficial interest in assets held by Madison Community Foundation	-	7,242
Balance at March 31, 2026	$ 1,322	$ 69,840

	Fair Value Measurements at March 31, 2025 Using Significant Unobservable Inputs (Level 3)	
	Capital Brewery common stock	Beneficial interest in assets held by Madison Community Foundation
Balance at March 31, 2024	$ 1,322	$ 62,521
Change in value of beneficial interest in assets held by Madison Community Foundation	-	77
Balance at March 31, 2025	$ 1,322	$ 62,598

NOTE 5—BOARD-DESIGNATED ENDOWMENT

At March 31, 2026 and 2025, WayForward's board of directors has designated $69,840 and $62,598, 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

NOTE 5—BOARD-DESIGNATED ENDOWMENT

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 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:

	2026	2025
Board-designated endowment net assets at beginning of the year	$ 62,598	$ 62,521
Change in value of beneficial interest	7,242	77
Board-designated endowment net assets at end of the year	$ 69,840	$ 62,598

NOTE 6—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, 2026 and 2025, were $85,268 and $63,014, respectively, and there were no draws for either year.

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, 2026 and 2025 was $42,663 and 37,108, respectively.

NOTE 8—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:

	2026	2025
Cash	$ 1,767,210	$ 1,301,064
Unconditional promises to give	1,172,598	237,367
Grants receivable	14,035	37,934
Interest receivable	29,759	29,040
Other receivables	-	1,246
Investments	1,514,695	1,420,443
Beneficial interest in assets held by Madison Community Foundation	69,840	62,598
Financial assets at year-end	$ 4,568,137	$ 3,089,692
Less those unavailable for general expenditures within one year, due to contractual, board designations, or donor-imposed restrictions:		
Board-designated reserve	(2,556,459)	(1,585,027)
Beneficial interest in assets held by Madison Community Foundation	(69,840)	(62,598)
Long-term investments	(200,758)	(202,808)
Restricted by donor with purpose or period restrictions	(839,240)	(163,694)
Financial assets available to meet cash needs for general expenditures within one year	$ 901,840	$ 1,075,565

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 four months of the current operating budget (less in-kind). 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.

NOTE 9—CONCENTRATION

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

NOTE 9—CONCENTRATION (continued)

$250,000. At March 31, 2026 and 2025, WayForward's uninsured cash balance totaled approximately $108,000 and $38,000, respectively.

Food Supplier Risk

WayForward receives a significant portion of its food inventory from a major supplier. During the year ended March 31, 2026, in-kind food contributions and purchases from Second Harvest comprised approximately 45% and 45%, respectively, of WayForward's total annual food supplies. WayForward's operations are heavily dependent on the continued availability of food from source. Although WayForward believes that alternative suppliers could be identified, the sudden loss of either supplier or a significant reduction in the volume of food provided could cause a disruption to WayForward's program and operational objectives.

NOTE 10—PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2026	2025
Land	$ 1,025,908	$ 1,025,908
Land improvements	139,923	125,715
Building and improvements	1,073,840	985,484
Equipment	218,119	218,119
Vehicles	99,119	99,119
Property and equipment	2,556,909	2,454,345
Less accumulated depreciation	572,874	523,416
	$ 1,984,035	$ 1,930,929

NOTE 11—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:

	2026	2025
Finance lease cost		
Amortization of right-of-use assets	$ 8,519	$ 8,519
Interest on lease liabilities	236	410
Total lease cost	$ 8,755	$ 8,929

NOTE 11—LEASES (continued)

Other information related to leases is as follows:

	2026	2025
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	$ 251	$ 424
Financing cash flows from finance leases	8,960	8,519
Weighted-average remaining lease term	.83 years	1.83 years
Weighted-average discount rate	1.98%	1.98%

The maturities of lease liabilities as of March 31, 2026, are as follows:

Year ending March 31:	
2027	$ 7,867
Imputed interest	(58)
Total lease liability	$ 7,809

NOTE 12—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:

2027	$ 12,896
2028	13,760
2029	277,916
Future minimum principal payments	$ 304,572

NOTE 13—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 7.50% and 8.25% at March 31, 2026 and 2025, respectively. The line is secured by a general business security agreement. As of March 31, 2026 and 2025, the line of credit was unused.

NOTE 14—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

NOTE 14—PAYCHECK PROTECTION PROGRAM LOAN (continued)

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 ineligible amounts.

NOTE 15—DONATED MATERIALS, SERVICES, AND FACILITIES

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

	2026	2025
Food	$ 3,014,893	$ 2,742,496
Clothing	926,309	582,382
Supplies and other items	75,120	88,090
Facilities	-	3,240
Professional fees	29,196	43,794
	$ 4,045,518	$ 3,460,002

Food is valued at $1.90 and $1.97 per pound, for the years ended March 31, 2026 and 2025, respectively, based off a valuation published by Feeding America. Clothing is valued at $7.68 and $5.83 per pound for the years ended March 31, 2026 and 2025, respectively, based off a valuation 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, 2026 and 2025, WayForward received 26,707 and 27,182 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.

NOTE 16—NET ASSETS

Net assets without donor restrictions for the years ended March 31 are designated for the following purposes:

	2026	2025
Undesignated	$ 2,379,580	$ 2,704,931
Board-designated		
Reserve fund	2,556,459	1,585,027
MCF endowment	69,840	62,598
	$ 5,005,879	$ 4,352,556

NOTE 16—NET ASSETS (continued)

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

	2026	2025
For subsequent years' activities	$ 885,612	$ 181,189
Subject to purpose restrictions:		
School supplies	9,789	7,041
Connections	214,124	-
Events	68,250	-
Other	11,465	464
	$ 1,189,240	$ 188,694