

HUNGER TASK FORCE, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Summarized Totals for the Year Ended September 30, 2024)

HUNGER TASK FORCE, INC.

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Independent Auditor's Report

Board of Directors
Hunger Task Force, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hunger Task Force, Inc. (a nonprofit organization) which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hunger Task Force, Inc. as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Hunger Task Force, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Hunger Task Force, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Board of Directors
Hunger Task Force, Inc.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hunger Task Force, 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 Hunger Task Force, 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.

Report on Summarized Comparative Information

We have previously audited Hunger Task Force, Inc.'s September 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 22, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
Hunger Task Force, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of Hunger Relief Fund and DHS cost reimbursement award schedule are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of Hunger Task Force, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hunger Task Force, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hunger Task Force, Inc.'s internal control over financial reporting and compliance.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
January 27, 2026

HUNGER TASK FORCE, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2025
(With Summarized Totals for September 30, 2024)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,351,818	\$ 7,171,556
Grants Receivable	781,051	898,638
Current Pledges Receivable	1,223,163	2,562,989
Accrued Interest	91,133	43,865
Inventory	368,086	581,846
Inventory - From USDA	2,257,657	3,576,189
Prepaid Expenses	189,865	229,308
Short-Term Investments	7,990,820	3,956,143
Total Current Assets	\$ 18,253,593	\$ 19,020,534
FIXED ASSETS		
Fixed Assets	\$ 18,857,318	\$ 17,498,891
Less: Accumulated Depreciation	(4,583,563)	(4,337,666)
Construction in Progress	---	38,279
Net Fixed Assets	\$ 14,273,755	\$ 13,199,504
LEASES		
Right-of-Use Asset - Operating	\$ 25,450	\$ 62,625
Right-of-Use Asset - Finance	762,502	971,984
Total Leases	\$ 787,952	\$ 1,034,609
OTHER ASSETS		
Long-Term Investments	\$ 10,442,944	\$ 7,681,150
Net Long-Term Pledges Receivable	918,415	236,626
Beneficial Interest in Greater Milwaukee Foundation	493,073	450,148
Net Intangible Assets	1,654	2,481
Total Other Assets	\$ 11,856,086	\$ 8,370,405
TOTAL ASSETS	\$ 45,171,386	\$ 41,625,052
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 384,252	\$ 316,785
Accrued Payroll	436,082	408,125
Current Portion of Operating Lease	27,962	40,096
Current Portion of Finance Lease	152,072	171,606
Total Current Liabilities	\$ 1,000,368	\$ 936,612
NON-CURRENT LIABILITIES		
Finance Lease Obligation	\$ 737,934	\$ 920,712
Less: Current Portion of Finance Lease	(152,072)	(171,606)
Operating Lease Obligation	27,962	68,058
Less: Current Portion of Operating Lease	(27,962)	(40,096)
Total Non-Current Liabilities	\$ 585,862	\$ 777,068
Total Liabilities	\$ 1,586,230	\$ 1,713,680
NET ASSETS		
Without Donor Restrictions	\$ 39,435,324	\$ 36,389,484
With Donor Restrictions	4,149,832	3,521,888
Total Net Assets	\$ 43,585,156	\$ 39,911,372
TOTAL LIABILITIES AND NET ASSETS	\$ 45,171,386	\$ 41,625,052

The accompanying notes are an integral part of these financial statements.

HUNGER TASK FORCE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Summarized Totals for the Year Ended September 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
REVENUE				
Federal Emergency Management Act Grant	\$ ---	\$ ---	\$ ---	\$ 184,551
Emergency Food Assistance Program	198,000	---	198,000	236,981
Commodity Supplemental Food Program	868,884	---	868,884	806,670
Commodity Credit Corporation	560,069	---	560,069	---
Community Development Block Grant	100,000	---	100,000	259,500
SNAP Outreach	683,665	---	683,665	709,074
SNAP Education	447,776	---	447,776	447,766
Reach and Resiliency	168,957	---	168,957	10,974
WIC CIAO	60,347	---	60,347	131,987
Local Food Purchase Agreements	19,056	---	19,056	230,676
Member Alliance	3,900	---	3,900	---
Tribal Elder Food Box	196,648	---	196,648	110,700
Senior Farmers Market Nutrition Program	---	---	---	17,500
Donations - Current Year Use	10,844,210	---	10,844,210	8,340,194
Donations - Future Year Use	---	2,254,768	2,254,768	1,557,244
Hunger Relief Fund	151,348	---	151,348	172,038
Donated Food and Services	1,275,118	---	1,275,118	1,622,754
USDA Food Received	9,350,457	---	9,350,457	11,081,159
Change in Beneficial Interest	2,190	42,925	45,115	63,758
Net Investment Income	1,373,143	---	1,373,143	1,736,752
In-Kind Revenue	5,000	---	5,000	5,000
Gain (Loss) on Sale of Fixed Assets	15,233	---	15,233	(17,380)
Miscellaneous	13,275	---	13,275	11,824
Net Assets Released from Restrictions	1,669,749	(1,669,749)	---	---
Total Revenue	<u>\$ 28,007,025</u>	<u>\$ 627,944</u>	<u>\$ 28,634,969</u>	<u>\$ 27,719,722</u>
EXPENSES				
Program Services	\$ 22,544,665	\$ ---	\$ 22,544,665	\$ 23,610,156
Development	1,367,405	---	1,367,405	1,409,620
Marketing and Communications	189,780	---	189,780	---
Management and General	859,335	---	859,335	916,383
Total Expenses	<u>\$ 24,961,185</u>	<u>\$ ---</u>	<u>\$ 24,961,185</u>	<u>\$ 25,936,159</u>
CHANGE IN NET ASSETS	\$ 3,045,840	\$ 627,944	\$ 3,673,784	\$ 1,783,563
Net Assets, Beginning of Year	<u>36,389,484</u>	<u>3,521,888</u>	<u>39,911,372</u>	<u>38,127,809</u>
NET ASSETS, END OF YEAR	<u>\$ 39,435,324</u>	<u>\$ 4,149,832</u>	<u>\$ 43,585,156</u>	<u>\$ 39,911,372</u>

The accompanying notes are an integral part of these financial statements.

HUNGER TASK FORCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Summarized Totals for the Year Ended September 30, 2024)

	Food Program	Outreach	Advocacy	Development	Marketing and Communications	Management and General	2025 Total	2024 Total
Salaries	\$ 1,990,460	\$ 1,091,793	\$ 639,168	\$ 663,621	\$ 105,961	\$ 416,604	\$ 4,907,607	\$ 5,209,145
Payroll Taxes	178,123	97,519	56,735	59,388	9,486	37,280	438,531	455,571
Retirement Expense	141,186	76,941	44,814	47,217	7,850	29,426	347,434	349,301
Employee Benefits	448,608	243,733	144,597	150,795	24,207	101,711	1,113,651	1,050,724
Food Expenses	1,726,123	112,274	---	---	---	550	1,838,947	2,272,978
Donated Food and Services	1,374,259	---	---	---	---	---	1,374,259	1,618,618
USDA Food Distributed	10,614,306	---	---	---	---	---	10,614,306	10,097,064
Special Event Expense	---	---	---	21,353	---	1,200	22,553	22,169
Staff Development	2,831	2,086	5,900	1,365	---	4,575	16,757	46,978
Printing	10,291	53,046	44,710	65,521	---	293	173,861	264,430
Postage	5,263	12,194	8,608	63,051	---	1,687	90,803	141,854
Travel	10,092	10,845	23,772	569	47	5,168	50,493	51,159
Accounting/Audit Fees	9,646	5,268	3,067	3,221	526	35,199	56,927	51,873
Dues and Subscriptions	80,402	38,448	49,382	77,129	14,708	34,919	294,988	273,260
Advertisements	29,390	20,543	55,296	110,571	24,995	---	240,795	266,940
Program Supplies and Equipment	111,259	530,102	84,639	---	---	---	726,000	1,143,873
Office Supplies	8,437	1,928	422	881	---	1,845	13,513	18,398
Professional Services	2,675	23,035	2,981	17,358	---	70,309	116,358	187,648
Maintenance and Supplies	398,480	29,890	2,119	1,459	---	8,736	440,684	348,353
Occupancy	107,553	69,973	1,541	1,055	---	6,282	186,404	255,952
Telephone	78,931	55,434	8,862	9,294	1,335	6,396	160,252	172,029
Conferences, Conventions and Meetings	365	494	22,603	455	---	2,442	26,359	4,326
Insurance	143,070	8,415	5,726	5,222	604	8,084	171,121	178,365
Volunteer Expenses	26,741	7,272	3,892	7,718	12	21,519	67,154	78,712
Grants to Others	---	327,376	---	---	---	---	327,376	185,675
Non-Capitalized Equipment	11,773	4,469	235	1,074	49	1,991	19,591	76,698
IT/Hardware	6,329	10,337	25	300	---	32,794	49,785	71,937
Depreciation and Amortization	881,071	30,517	667	456	---	4,335	917,046	895,043
Interest and Bank Fees	65,867	7,153	51	58,332	---	25,683	157,086	145,387
Miscellaneous	55	182	---	---	---	307	544	1,699
TOTALS	\$ 18,463,586	\$ 2,871,267	\$ 1,209,812	\$ 1,367,405	\$ 189,780	\$ 859,335	\$ 24,961,185	\$ 25,936,159

The accompanying notes are an integral part of these financial statements.

HUNGER TASK FORCE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Summarized Totals for the Year Ended September 30, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,673,784	\$ 1,783,563
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	917,046	895,043
Realized/Unrealized Investment (Gain) Loss	(527,215)	(1,265,709)
Change in Operating Lease	(2,921)	5,433
Gain (Loss) on Disposal of Fixed Assets	(15,233)	17,380
(Increase) Decrease in Grants Receivable	117,587	177,401
(Increase) Decrease in Net Pledges Receivable	658,037	937,387
(Increase) Decrease in Accrued Interest	(47,268)	(22,411)
(Increase) Decrease in Inventory	213,760	769,205
(Increase) Decrease in Inventory - From USDA	1,318,532	(1,017,462)
(Increase) Decrease in Prepaid Expenses	39,443	(31,376)
(Increase) Decrease in Beneficial Interest	(42,925)	(61,802)
Increase (Decrease) in Accounts Payable	67,467	(721,873)
Increase (Decrease) in Accrued Payroll	27,957	30,709
	<u>\$ 6,398,051</u>	<u>\$ 1,495,488</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	\$ (15,914,408)	\$ (4,041,862)
Sale of Investments	9,645,152	4,261,180
Purchase of Construction in Progress	---	(38,279)
Proceeds from Sale of Fixed Assets	30,110	---
Purchase of Fixed Assets	(1,824,559)	(920,304)
	<u>\$ (8,063,705)</u>	<u>\$ (739,265)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Finance Leases	\$ (154,084)	\$ (162,572)
	<u>\$ (154,084)</u>	<u>\$ (162,572)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (1,819,738)	\$ 593,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>7,171,556</u>	<u>6,577,905</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,351,818</u>	<u>\$ 7,171,556</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Donated Stock	\$ 1,344,574	\$ 348,209
Interest Paid	78,857	70,202
Right-of-Use Assets Obtained through Finance Leases	12,925	695,859

The accompanying notes are an integral part of these financial statements.

HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A - Summary of Significant Accounting Policies

Organization

Hunger Task Force, Inc. ("HTF") works to prevent hunger and malnutrition by providing food to people in need today and by promoting social policies to achieve food security tomorrow.

Accounting Method

The financial statements of HTF have been prepared on the accrual basis of accounting.

Basis of Presentation

HTF reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less when purchased.

Pledges and Grants Receivable

Pledges and grants receivable are recorded at net realizable value if they are due in less than one year from the statement of financial position date. Net realizable value is the undiscounted expected future cash flows that will be received and is considered a reasonable estimate for fair value. If pledges and grants receivable are expected to be collected in more than one year, they are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of discounts is included in contribution revenue in the statement of activities. If the Organization's expectation of the ability to collect receivables changes, an allowance for uncollectible accounts is recognized in the period in which the expectation changes. The Organization determines the allowance for uncollectible accounts based on historical experience, an assessment of economic conditions and review of subsequent receipts. As of September 30, 2025, pledges and grants receivable are considered fully collectible; therefore, no allowance for uncollectible accounts has been recorded.

Accounts Receivable and Credit Losses

Accounts receivable on trade and other receivables are stated at unpaid balances, less an allowance for credit losses. The expected credit losses are updated by management at each reporting date to reflect changes in credit risk since the financial instrument was initially recognized. The expected credit losses on trade or other receivables are estimated based on historical credit loss experience, aging analysis, and management's assessment of current conditions and reasonable and supportable expectations of future conditions. The Organization assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The expense associated with the allowance for expected credit losses is recognized in bad debts expense.

HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A - Summary of Significant Accounting Policies (continued)

Inventory

Inventory consists of purchased and donated food. Purchased food is valued at the lower of cost or market and donated food is valued at fair value on the date of donation. The specific identification method is used for inventory. The inventory system identifies the inventory with the earliest expiration date to be used first.

Inventory - From USDA

Inventory from USDA consists of food allocations by The Emergency Food Assistance Program (TEFAP) and The Commodity Supplemental Food Program (CSFP). The value of inventory from USDA is based on pricing information provided by USDA. The specific identification method is used for inventory. The inventory system identifies the inventory with the earliest expiration date to be used first.

Fixed Assets

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Fixed assets are recorded at cost or at the estimated fair value at the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Leases

The Organization recognizes operating and finance leases in accordance with the *FASB Accounting Standards Codification (ASC) 842*. A lease exists when an organization has the right to control the use of property, plant or equipment over a lease term. The lessee classifies a lease as either a finance or operating lease. The accounting of a finance lease is similar to when an asset is purchased. An operating lease is when the right-of-use of an asset exists over the lease term, but the lease doesn't meet the definition of a finance lease. The Organization has elected to establish a threshold to exclude lease assets and obligations that are immaterial to the financial statements. The Organization recognizes individual lease assets and liabilities when they are greater than \$5,000. However, if the combined lease assets or liabilities for individually insignificant leases are greater than \$10,000, the Organization recognizes the lease assets and obligations. The Organization has elected not to apply the recognition requirements in ASC 842 to short-term leases (those with a term of 12 or less months) and no expected purchase at the end of the term.

Contributions and Grant Revenue

Contributions received and unconditional promises to give are measured at fair value and are reported as increases in net assets. Contributions are considered available for the Organization's general operations and included in net assets without donor restrictions unless specifically restricted by a donor. A restricted contribution is reported in revenue and net assets without donor restrictions when the restriction is met within the same reporting period as the contribution is received. Contributions received restricted for a purpose not yet met or to support a future period are included in net assets with donor restrictions. When a donor restriction from a prior year expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional contributions are not recognized as revenue until they become unconditional. A conditional contribution is one that has both a barrier that must be overcome and an agreement requiring advance payment to be returned or future payment not to be obligated if the barrier is not overcome.

HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A - Summary of Significant Accounting Policies (continued)

Contributions and Grant Revenue (continued)

Net assets restricted for acquisition of building or equipment are reported as net assets with donor restrictions until the specified asset is placed in service when the net assets are released to net assets without donor restrictions.

When a donor requires the investment of a contribution and restricts the use of investment income, the investment income is reported as net assets with donor restrictions until appropriated for the designated time or use when the net assets are released to net assets without donor restrictions.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Accordingly, the value of contributed time that does not meet these requirements has not been determined and is not reflected in the accompanying financial statements.

Government Grants and Contract Revenue

Government grants and contract revenue are recognized when earned. Revenue is earned when eligible expenditures, as defined in each grant, contract or other allowable cost manual, are made. Any cash received for revenue not yet earned is considered to be deferred revenue. Revenue earned but not yet paid to the Organization is included in grants receivable. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such review reduces expenditures allowable under these grants or contracts, the Organization records the disallowance at the time the final assessment is made. Management believes that disallowances, if any, would not have a significant effect on the financial statements.

Estimates

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

Functional Expenses

HTF allocates costs directly to food, outreach, advocacy, development or management whenever possible. Certain expenses are attributable to one or more programs or supporting functions of the Organization. Expenses related specifically to the office location, such as subscriptions, cleaning and office supplies, and electricity are allocated based on the square footage of the office location relative to each program it benefits. Salaries, insurance, IT expenses, other payroll expenses, and other expenses that effect all staff are allocated based the amount of hours each employee spends relative to each program for a two-week period in the spring of each year. Transportation costs such as fuel and truck leases are allocated by the total pounds of food distributed from each program and allocated as such.

**HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

NOTE B - Comparative Financial Information

The financial information shown for 2024 in the accompanying financial statements is included to provide a basis for comparison with 2025. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with HTF's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

Reclassifications

Certain amounts in the 2024 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2025 financial statements. Net assets and changes in net assets are unchanged due to these reclassifications.

NOTE C - Liquidity

HTF's operations are funded through government grants and donations from the public. HTF maintains its cash reserves in liquid bank accounts. Those assets are available for general expenditures, liabilities and to pay other obligations as they become due. The Organization monitors liquidity by reviewing cash balances, anticipated cash inflows and outflows, and the timing of expenditures. Management ensures that sufficient liquid assets are available to meet current operating needs. The financial assets include cash, cash equivalents and receivable balances, reduced by amounts purpose restricted by donors when they are included in the financial assets available for use.

Cash and Cash Equivalents	\$ 5,351,818
Grants Receivable	781,051
Current Pledges Receivable	1,223,163
Accrued Interest	91,133
Less: Amounts Subject to Donor Restrictions	<u>(1,090,078)</u>
Total Financial Assets Available for Use	<u>\$ 6,357,087</u>

In addition, HTF has \$7,990,820 in Treasury notes that are expected to mature in the next fiscal year.

NOTE D - Concentration of Credit Risk

HTF maintains cash balances in banks. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. As of September 30, 2025, the uninsured portion of this balance was \$3,874,284.

NOTE E - Beneficial Interest in Assets Held by Others

Generally Accepted Accounting Principles requires that a specified beneficiary recognize its rights to the assets held by a recipient organization unless the donor has explicitly granted the recipient organization variance power. HTF transferred some of its investment portfolio to the Greater Milwaukee Foundation to establish a fund in a prior year. At September 30, 2025, the fund held at the Greater Milwaukee Foundation has a value of \$493,073, which is reported on the statement of financial position as Beneficial Interest in Greater Milwaukee Foundation.

**HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

NOTE F - Fair Value Measurements

HTF has adopted the Financial Accounting Standards Board guidance on fair value measurements. A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

The following table sets forth by level, within the fair value hierarchy, HTF's assets at fair value as of September 30, 2025:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
GMF Beneficial Interest	\$ 493,073	\$ ---	\$ ---	\$493,073
Exchange Traded Equity Funds	1,758,857	1,758,857	---	---
Bond Funds	1,344,279	1,344,279	---	---
Equity Mutual Funds	4,369,378	4,369,378	---	---
Treasury Notes – Short-Term	7,990,820	7,990,820	---	---
Treasury Notes – Long-Term	<u>2,970,430</u>	<u>2,970,430</u>	---	---
Total	<u>\$18,926,837</u>	<u>\$18,433,764</u>	<u>\$ ---</u>	<u>\$493,073</u>

GMF Beneficial Interest includes equities securities, fixed income securities, absolute return hedge funds, and long/short equity hedge funds. The funds are held by the Greater Milwaukee Foundation which reports on a calendar year.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

**Fair Value Measurements Using Significant
Unobservable Inputs (Level 3)**

	<u>GMF Investments</u>
Beginning Balance, October 1, 2024	\$450,148
Total gains or losses (realized/unrealized)	45,115
Purchases, issuances, and settlements	<u>(2,190)</u>
Ending Balance, September 30, 2025	<u>\$493,073</u>

All assets have been valued using a market approach, except for Level 3 assets. Level 3 assets are valued using the income approach. Fair values for assets in Level 2 are calculated using quoted market prices for similar assets in markets that are not active. Fair values for assets in Level 3 are calculated using assumptions about discounted cash flow and other present value techniques. There were no changes in the valuation techniques during the current year.

**HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

NOTE G - Grants Receivable

Grants receivable consists of the following amounts at September 30, 2025:

<u>Source</u>	<u>Amount</u>
Wisconsin Department of Health Services	
Temporary Emergency Food Assistance Program	\$ 33,000
Community Supplement Food Program	168,212
Commodity Credit Corporation	249,883
SNAP - ED	103,351
SNAP - OUTREACH	111,527
Member Feedback Alliance	2,100
Wisconsin Department of Agriculture, Trade and Consumer Protection	
Tribal Elder Food Box	12,978
Milwaukee County Community Development Block Grant	<u>100,000</u>
Total	<u>\$781,051</u>

NOTE H - Pledges Receivable

Pledges receivable consists of the following amounts at September 30, 2025:

<u>Source</u>	<u>Amount</u>
Foundations	\$1,590,000
Corporation	35,000
Individual	<u>583,163</u>
Total Pledges Receivable	\$2,208,163
Less: Present Value Discount	<u>(66,585)</u>
Total	<u>\$2,141,578</u>

The discount rate used to determine the present value of pledges receivable was 7.25%.

Pledges receivable comprises the following amounts at September 30, 2025:

<u>Account</u>	<u>Amount</u>
Current Pledges Receivable	\$1,223,163
Net Long-Term Pledges Receivable	<u>918,415</u>
Total Pledges Receivable	<u>\$2,141,578</u>

**HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

NOTE H - Pledges Receivable (continued)

All amounts are expected to be fully collected as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	\$1,223,163
2027	<u>985,000</u>
Total	<u>\$2,208,163</u>

NOTE I - Fixed Assets

Fixed assets and accumulated depreciation at September 30, 2025, are as follows:

Building	\$13,990,696
Office Equipment	284,373
Warehouse and Farm Equipment	2,342,406
Leasehold Improvements	<u>2,239,843</u>
Total Fixed Assets	\$18,857,318
Less: Accumulated Depreciation	<u>(4,583,563)</u>
Net Fixed Assets	<u>\$14,273,755</u>

NOTE J - Intangible Assets

Intangible assets of \$1,654 presented on the statement of financial position as of September 30, 2025, consists of the following:

<u>Amortized Asset</u>	<u>Gross Value</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Life</u>
Inventory Computer System	\$36,246	\$34,592	\$1,654	3 years
Raiser's Edge Enhancements	6,719	6,719	---	3 years
O-Matic Import Software and License	6,400	6,400	---	3 years
Website	<u>15,000</u>	<u>15,000</u>	<u>---</u>	3 years
Total	<u>\$64,365</u>	<u>\$62,711</u>	<u>\$1,654</u>	

**HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

NOTE K - Leasing Activities - Operating Leases

The Organization leases a space in the Midtown Shopping Center. The term of the lease is from January 2022 through May 2026. The annual payments increase at a rate of 3% per year. Current monthly payments for the year ended September 30, 2025, are \$3,526.

The Organization uses their incremental borrowing rate of 3.00% to determine the value of the right-of-use asset and obligation for operating leases.

Lease Term and Discount Rate

The weighted average remaining lease term for operating leases is: 0.67 years
The weighted average discount rate for operating leases is: 3.75 %

Lease Cost and Cash Flow Information

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended September 30, 2025:

Operating Lease Costs:
Fixed Lease Payments \$41,493

The following summarizes cash flow information related to leases for the year ended September 30, 2025:

Operating Cash Flows from Operating Leases \$40,096

Maturities of Leases

The maturities of lease liabilities consist of the following as of September 30, 2025:

<u>For the Year Ending</u>	<u>Amount</u>
September 30, 2026	\$28,210
Less: Present Value Discount	<u>(248)</u>
Total Present Value of Lease Liabilities	<u>\$27,962</u>

**HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

NOTE L - Leasing Activities - Finance Leases

HTF has finance lease obligations for six freight trucks, six copiers and two printers. The cost of \$1,096,564 is included as a right-of-use asset. Total accumulated amortization for the leased assets amounts to \$430,039 at September 30, 2025.

The truck and copiers are depreciated over the life of the leases. Amortization of the finance leases of \$174,505 is included in depreciation expense for the year ended September 30, 2025.

HTF has a finance lease for a solar panel system. The cost of \$109,065 is included as a right-of-use asset. Total accumulated amortization for the leased solar panel system amounts to \$13,088 for the year ended September 30, 2025. The solar panel is depreciated over the life of the lease. Amortization of the finance lease of \$4,363 is included in depreciation expense for the year ended September 30, 2025

Lease Term and Discount Rate

The weighted average discount rate for finance leases is:	7.78 %
The weighted average remaining lease term in years for finance leases is:	3.67 years

Lease Cost and Cash Flow Information

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended September 30, 2025:

	<u>Amount</u>
Finance Lease Costs:	
Amortization of Lease Asset	\$ 178,868
Interest on Lease Liabilities	\$ 78,857

The following summarizes cash flow information related to leases for the year ended September 30, 2025:

	<u>Amount</u>
Operating Cash Flows from Finance Leases	\$ 78,478
Financing Cash Flows from Finance Leases	\$ 154,084

**HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

NOTE L - Leasing Activities - Finance Leases (continued)

Maturities of Leases

The maturities of lease liabilities consists of the following as of September 30, 2025:

<u>For the Year Ending</u>	<u>Amount</u>
September 30, 2026	\$ 220,381
September 30, 2027	202,168
September 30, 2028	186,307
September 30, 2029	157,224
September 30, 2030	141,773
Thereafter	<u>28,303</u>
Total Lease Payments	\$ 936,156
Less: Present Value Discount	<u>(198,222)</u>
Total Present Value of Lease Liabilities	<u>\$ 737,934</u>

NOTE M - Other Leasing Activities

During the year ended September 30, 2025, the Organization had two month-to-month lease agreements for operating space. One agreement was terminated in October 2024, and the other was terminated in February 2025. Total lease payments under these agreements for the year ended September 30, 2025, were \$21,435.

The Organization also leases a number of parking spots at its headquarters on West Electric Avenue. For the year ended September 30, 2025, payments were \$2,600, included in occupancy expense on the Statement of Functional Expenses.

**HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

NOTE N - Net Assets With Donor Restrictions

HTF has net assets with donor restrictions that are time, time and purpose, and purpose restricted. The table below summarizes the totals for each type:

<u>Time Restricted</u>	
Fiscal Year Ended September 30, 2026	<u>\$1,019,322</u>
Total Time Restricted	<u>\$1,019,322</u>
<u>Time and Purpose Restricted</u>	
Endowment to End Hunger	\$1,137,919
Farm	1,106,200
Capital Campaign	30,000
Food For Families	<u>193,240</u>
Total Time and Purpose Restricted	<u>\$2,467,359</u>
<u>Purpose</u>	
Hunger Relief Fund	\$ 43,785
Beneficial Interest	493,073
Outreach	66,335
Farm	44,069
Holiday Cards	12,441
Other Purpose	<u>3,448</u>
Total Purpose Restricted	<u>\$ 663,151</u>
Total Net Assets With Donor Restrictions	<u>\$4,149,832</u>

NOTE O - Endowment

Endowment Funds

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions because those net assets are time restricted until amounts are appropriated for expenditure.

Investment Policy

The primary investment objective of the Endowment is to achieve a reasonable total return on the invested assets over the long term (defined as 20 years), consistent with the preservation of the Endowment's corpus, expressed in inflation-adjusted dollars. Total return is measured as both income from dividends, interest, and the like and realized and unrealized appreciation.

The Finance Committee and each Manager should assume a level of risk consistent with the foregoing Endowment objective. Unnecessary levels of total risk are to be avoided, and diversification, insofar as it reduces portfolio risk, is encouraged.

HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE O - Endowment (continued)

Investment Policy (continued)

Specific long-term investment objectives of the Endowment are:

- Preservation of capital in real terms over the long term;
- Achievement of an annual real rate of return of 4% over inflation (CPI) while assuming a moderate level of risk; and
- Provision of sufficient liquidity to meet the current expenses and spending requirements of the Endowment.

For any assets held by the Endowment that will be used for specific purposes within a specific time period, the investment objective is to maximize the total return on such assets while preserving the corpus and providing for the required liquidity. A minimal level of risk should be assumed for the investment of these assets.

Spending Policy

The purpose of this spending policy is to specify the amounts that may be spent from each separate endowment fund held by the Organization, or from the entire endowment if separate endowment funds are not created. Spending decisions are also subject to UPMIFA.

Unless specifically directed otherwise by a particular donor in the document governing a donation:

Disbursements may be made from the endowment at the approval of the Finance Committee. These disbursements would be made to support the charitable purpose of the Organization. Both principal and earnings will be available for distribution, but, in regard to principal, only those funds that were donated or granted without a permanent restriction on their use.

The general rule will be that these disbursements should not be in amounts greater than 4% of the total value of all investments, as calculated by taking the average fund balance of the past 12 quarters. This will provide a smoothing effect for the spending amount to better assist programs during periods of market volatility. The Finance Committee shall have discretion on whether distributions are made. If it is determined that a distribution is not needed in a current fiscal year, the Finance Committee may waive distribution for that year. Distributions in excess of 4%, in times of crisis, require approval of a 2/3 majority of the Board of Directors present and/or absent and entitled to vote.

Endowment Net Asset Composition

Endowment net assets are composed of the Endowment to End Hunger, which is considered restricted by the donor in perpetuity. The restricted funds are to be invested with a three year vesting period. After the three years, a historical average will be used to calculate the average yield, of which 4% will be allocated to the farm general operating fund. The allocations will be at the discretion of the board of directors and based on market performance.

**HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

NOTE O - Endowment (continued)

Endowment net asset composition consists of the following as of September 30, 2025:

	<u>Endowment to End Hunger</u>
Investments to be	
Held in Perpetuity	\$1,007,587
Accumulated Investment Return	130,332
Total Endowment	\$1,137,919

Changes in endowment consist of the following for the year ended September 30, 2025:

	<u>Endowment to End Hunger</u>
Endowment Net Assets	
Beginning of Year	\$1,007,587
Interest	21,489
Realized and Unrealized Gain	108,843
Endowment Net Assets	
End of Year	\$1,137,919

NOTE P - Conditional Contributions

The Organization has a contract with the government which includes specific use stipulations requiring funds be used only on qualifying expenses determined by the grant contract and allowable cost policies. The Organization will not receive the grant funds unless spent on the required activity and within the allowable cost guidance.

As of September 30, 2025, the Organization has available the following conditional grants:

	<u>Grant Period</u>	<u>Balance Available</u>
Tribal Elder Food Box	5/1/2025-4/30/2026	\$ 43,987
Member Incentive for Feedback Alliance Grant	1/1/2025-12/31/2026	6,100
Total Grants Available in Future Periods		\$ 50,087

NOTE Q - Donated Food

HTF records donated food at fair market value on the date of the donation. Food is valued based on food studies and the average weight of food. This amount is included in both revenue and expenses. HTF received \$10,625,575 of donated food for the fiscal year ended September 30, 2025.

HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE R - In-Kind Revenue

Hunger Task Force, Inc. receives donated services from a variety of unpaid volunteers assisting Hunger Task Force, Inc. in the operation of its Food Bank, Farm, Mobile Market and Nutrition Education programs, as well as its development and administrative tasks. A total of 38,431 hours of donated service hours were provided by 14,351 volunteers. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Hunger Task Force, Inc. Services valued at approximately \$1,337,014 have not been recognized in the accompanying statement of activities for the year ended September 30, 2025, as they do not meet the requirements for recognition.

During the year the Organization received \$5,000 of donated gift cards for its program services.

NOTE S - Hunger Relief Fund

HTF administers the Hunger Relief Fund of Wisconsin. Hunger Relief Fund does not charge fees of any kind to its participants.

NOTE T - Retirement Savings Plan

HTF has an employee retirement savings plan in which all employees are eligible to receive a matching employer contribution to the plan. The matching contribution from HTF was 100% of the employee contribution up to a limit of 5% of an employee's gross wages. In addition, HTF made a discretionary contribution. Total retirement savings plan contributions for the fiscal year ended September 30, 2025, were \$347,434.

NOTE U - Advertising Costs

HTF uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the year ended September 30, 2025, was \$240,795.

NOTE V - Produce Harvested on Farm

HTF operates a farm in Franklin, Wisconsin, under a long-term lease agreement with Milwaukee County. The value of produce harvested for the year ended September 30, 2025, amounted to \$690,890. This amount is not reflected in the financial statements.

NOTE W - Income Taxes

HTF is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions taken in previous fiscal years and those expected to be taken in future fiscal years. As of September 30, 2025, HTF had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. HTF does not anticipate any significant changes to unrecognized income tax benefits over the next year.

HUNGER TASK FORCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE X - Subsequent Events

Subsequent events were evaluated events occurring after September 30, 2025, through January 27, 2026, which is the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures. The Organization has determined that the following subsequent event needs to be disclosed:

On January 27, 2025, the OMB of the United States Federal Government instituted a pause (freeze) on the disbursement of federal grant and loan funds which became effective on January 28, 2025. The extent to which the funding freeze impacts the Organization's operations, financial results, and cash flows, both current and future, will depend on future developments, which are highly uncertain and cannot be predicted with any measure of certainty or probability. As a result, the Organization is unable to estimate what impact, if any, the funding freeze has as of September 30, 2025, on future operations. The financial statements do not include any adjustments that might result from the outcome of the uncertainty.

**HUNGER TASK FORCE, INC.
SCHEDULE OF HUNGER RELIEF FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

BALANCE, BEGINNING OF YEAR		\$ 44,825
REVENUE		
City of Milwaukee	\$ 15,162	
Milwaukee County	4,473	
State Employees Combined Campaign	90,694	
Milwaukee Area Technical College	6,061	
Milwaukee Public Schools	14,446	
Other	20,512	
Total Revenue	151,348	151,348
EXPENSES		
Payments		
HTF Designations	\$ 9,774	
Payments to Other Organizations	143,056	
Total Expenses	152,830	152,830
BALANCE, END OF YEAR		\$ 43,343

**HUNGER TASK FORCE, INC.
DHS COST REIMBURSEMENT AWARD SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

GRANT	TEFAP-HTFM	TEFAP-Reach and Resiliency	CSFP	CCC	SNAP Nutrition	SNAP Outreach	
DHS Identification Number	70011		154780	154781	154661	445406	
AWARD AMOUNT	\$ 198,000	\$ 48,558	\$ 868,882	\$ 560,069	\$ 447,776	\$ 683,665	
AWARD PERIOD	10/1/2024-9/30/2025	5/25/2025-6/30/2025	10/1/2024-9/30/2025	10/1/2024-9/30/2025	10/1/2024-9/30/2025	10/1/2023-9/30/2024	Total
EXPENDITURES REPORTED TO DHS FOR PAYMENT							
Payment from DHS	\$ 198,000	\$ 48,558	\$ 868,884	\$ 560,069	\$ 447,776	\$ 683,665	\$ 2,806,952
Match	---	---	---	---	---	683,665	683,665
Total Expenditures Reported to DHS	<u>\$ 198,000</u>	<u>\$ 48,558</u>	<u>\$ 868,884</u>	<u>\$ 560,069</u>	<u>\$ 447,776</u>	<u>\$ 1,367,330</u>	<u>\$ 3,490,617</u>
TOTAL ALLOWABLE COSTS OF AWARD							
Salaries and Wages	\$ 165,422	\$ ---	\$ 559,461	16,968	\$ 291,754	\$ 1,005,989	\$ 2,039,594
Program Administration	18,698	---	111,060	15,218	---	---	144,976
Operations and Supplies	13,880	---	198,363	---	---	---	212,243
Materials	---	---	---	---	58,381	---	58,381
Translation and Design	---	---	---	---	2,060	---	2,060
Paid Educational Media	---	---	---	---	43,296	---	43,296
Copying and Printing	---	---	---	---	50,577	93,976	144,553
Food Purchases	---	---	---	527,815	---	---	527,815
Internet and Telephone	---	---	---	---	---	53,707	53,707
Equipment	---	48,558	---	---	---	20,837	69,395
Supplies	---	---	---	---	---	2,024	2,024
Building and Space	---	---	---	---	---	55,633	55,633
Other	---	---	---	---	---	129,334	129,334
Travel	---	---	---	68	1,708	5,830	7,606
Total Allowable Costs of Award	<u>\$ 198,000</u>	<u>\$ 48,558</u>	<u>\$ 868,884</u>	<u>\$ 560,069</u>	<u>\$ 447,776</u>	<u>\$ 1,367,330</u>	<u>\$ 3,490,617</u>
Expenditures Reported Less Allowable Costs	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

HUNGER TASK FORCE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/ State Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal/State ALN Program Number	Pass-Through Entity Identifying Number	Expenditures	Subrecipients
FEDERAL ASSISTANCE				
The United States Department of Agriculture, Food and Nutrition Services				
Wisconsin Department of Health Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	435400-G25-FoodOutSer-01	\$ 683,665	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	435100-G25-117373-90 X1	447,776	
Total ALN 10.561/SNAP Cluster			<u>\$ 1,131,441</u>	
Wisconsin Department of Health Services				
Commodity Supplemental Food Program	10.565	435100-G25-117373-90	\$ 868,884	\$ ---
Commodity Supplemental Food Program (Food Commodities)	10.565		3,842,435	3,473,880
Total ALN 10.565			<u>\$ 4,711,319</u>	<u>\$ 3,473,880</u>
Wisconsin Department of Health Services				
Emergency Food Assistance Program (Administrative Costs)	10.568	435100-G25-117373-90 X	\$ 198,000	
Emergency Food Assistance Program (Administrative Costs)	10.568	435100-G25-TEFAPREACH-01 M1	11,313	
Wisconsin Community Action Program Association				
Emergency Food Assistance Program (Administrative Costs)	10.568		48,558	
Feeding America Eastern Wisconsin				
Emergency Food Assistance Program (Administrative Costs)	10.568		109,086	
Total ALN 10.568			<u>\$ 366,957</u>	
Wisconsin Department of Health Services				
Emergency Food Assistance Program (Food Commodities)	10.569		\$ 6,771,871	\$ 6,771,871
Total ALN 10.569			<u>\$ 6,771,871</u>	<u>\$ 6,771,871</u>
Total Food Distribution Cluster			<u>\$ 11,850,147</u>	<u>\$ 10,245,751</u>
Food Research & Action Center				
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	238DC001M2003	\$ 60,347	
Wisconsin Department of Agriculture, Trade and Consumer Protection				
Pandemic Relief Activities: Local Food Purchase Agreements with State, Tribes and Local Governments	10.182		\$ 19,056	
Wisconsin Department of Health Services				
Commodity Credit Corporation Funding to Alleviate Emergency Supply Chain Disruption in the Commodity Supplemental Food Program	10.194	435100-G25-117373-90 X2	\$ 560,069	
Total United States Department of Agriculture, Food and Nutrition Services			<u>\$ 13,621,060</u>	<u>\$ 10,245,751</u>
The United States Department of Housing and Urban Development				
Milwaukee County				
Community Development Block Grants/Entitlement Grants Cluster	14.218		\$ 100,000	
Total ALN 14.218/CDBG-Entitlement Grants Cluster			<u>\$ 100,000</u>	
TOTAL FEDERAL EXPENDITURES			<u>\$ 13,721,060</u>	<u>\$ 10,245,751</u>
STATE EXPENDITURES				
Wisconsin Department of Agricultural, Trade and Consumer Protection				
Tribal Elder Food Box		TEFB 24-02	\$ 90,635	
Tribal Elder Food Box		TEFB 25-02	106,013	
Total Tribal Elder Food Box			<u>\$ 196,648</u>	
Wisconsin Department of Health Services				
Member Feedback Alliance		435100-G25-MIFeedback-01	\$ 3,900	
TOTAL STATE EXPENDITURES			<u>\$ 200,548</u>	<u>\$ ---</u>

The accompanying notes are an integral part of this schedule.

HUNGER TASK FORCE, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Hunger Task Force, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - Indirect Cost Rate

The Organization has elected to use the 15% de minimus cost rate.

Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards* and the *Department of Health Services
Audit Guide*

To the Board of Directors
Hunger Task Force, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hunger Task Force, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated January 27, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
January 27, 2026

Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Hunger Task Force, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hunger Task Force, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Hunger Task Force, Inc.'s major federal programs for the year ended September 30, 2025. Hunger Task Force, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hunger Task Force, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
January 27, 2026

**HUNGER TASK FORCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

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

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

Identification of federal major programs:

Assistance Listing #10.565, 10.568, 10.569, Food Distribution Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee? Yes

**HUNGER TASK FORCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION V - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.