

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Financial Statements
With Independent Auditors' Report

March 31, 2023 and 2022

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses-Year Ended March 31, 2023	5
Consolidated Statement of Functional Expenses-Year Ended March 31, 2022	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	9
Supplemental Information	
Independent Auditors' Report on Supplemental Information	24
Consolidating Statement of Financial Position as of March 31, 2023	25
Consolidating Statement of Financial Position as of March 31, 2022	26
Consolidating Statement of Activities for the Year Ended March 31, 2023	27
Consolidating Statement of Activities for the Year Ended March 31, 2022	28

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Children's Hunger Fund and Subsidiary
Sylmar, California

Opinion

We have audited the accompanying consolidated financial statements of Children's Hunger Fund and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of March 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Children's Hunger Fund and Subsidiary as of March 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Children's Hunger Fund and Subsidiary 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Hunger Fund and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

The Board of Directors
Children's Hunger Fund and Subsidiary
Sylmar, California

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Children's Hunger Fund and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Hunger Fund and Subsidiary'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.

Capin Crouse LLP

Woodland Hills, California
June 23, 2023

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Financial Position

	March 31,	
	2023	2022
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 7,944,037	\$ 16,257,796
Pledges and accounts receivable	60,621	95,794
Investments	13,907,884	1,940,102
Inventory	3,030,309	2,354,705
Prepaid expenses	790,397	579,572
	25,733,248	21,227,969
Cash held for long-term purposes	-	10,141,215
Investments held for long-term purposes	10,039,630	-
Endowment investments	3,670,744	3,257,530
Deposits	41,086	45,608
Beneficial interest in trusts	61,217	61,217
Operating lease—right-of-use assets	570,351	-
Land, buildings and equipment—net	13,651,417	13,911,991
	-	-
Total Assets	\$ 53,767,693	\$ 48,645,530
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 445,464	\$ 175,704
Accrued expenses	560,798	534,318
Deferred income	52,766	47,294
Current portion of operating lease obligation	508,545	-
Current portion of long-term debt	105,837	103,247
	1,673,410	860,563
Operating lease obligation—net of current portion	84,627	-
Long-term debt—net of current portion and unamortized loan costs	4,150,309	4,252,876
Total liabilities	5,908,346	5,113,439
Net Assets:		
Without donor restrictions:		
Undesignated	24,177,273	19,880,699
Board designated	5,481,506	5,358,745
	29,658,779	25,239,444
With donor restrictions	18,200,568	18,292,647
Total net assets	47,859,347	43,532,091
Total Liabilities and Net Assets	\$ 53,767,693	\$ 48,645,530

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Activities

	Year Ended March 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND RECLASSIFICATIONS:						
Contributions—cash	\$ 11,952,361	\$ 7,382,451	\$ 19,334,812	\$ 11,106,231	\$ 11,312,733	\$ 22,418,964
Gifts-in-kind	156,160,534	-	156,160,534	104,728,643	-	104,728,643
Special events revenue	1,429,100	1,420,724	2,849,824	1,696,723	-	1,696,723
Less: Cost of direct benefits to donors	(518,083)	-	(518,083)	(560,285)	-	(560,285)
Program service revenue	304,621	-	304,621	119,196	-	119,196
Investment income (loss), net	73,242	(126,064)	(52,822)	35,434	22,288	57,722
Loss on disposal of assets	(5,663)	-	(5,663)	(113,120)	-	(113,120)
Net assets released from restriction through satisfaction of purpose and time restrictions	8,769,190	(8,769,190)	-	4,973,309	(4,973,309)	-
Total Revenue, Support, and Reclassifications	178,165,302	(92,079)	178,073,223	121,986,131	6,361,712	128,347,843
EXPENSES:						
Program services	170,862,051	-	170,862,051	116,670,382	-	116,670,382
Supporting activities:						
Management and general	2,123,271	-	2,123,271	2,001,397	-	2,001,397
Fundraising	760,645	-	760,645	710,990	-	710,990
	2,883,916	-	2,883,916	2,712,387	-	2,712,387
Total Expenses	173,745,967	-	173,745,967	119,382,769	-	119,382,769
Change in Net Assets	4,419,335	(92,079)	4,327,256	2,603,362	6,361,712	8,965,074
Net Assets, Beginning of Year	25,239,444	18,292,647	43,532,091	22,636,082	11,930,935	34,567,017
Net Assets, End of Year	\$ 29,658,779	\$ 18,200,568	\$ 47,859,347	\$ 25,239,444	\$ 18,292,647	\$ 43,532,091

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended March 31, 2023

	Program Services	Supporting Activities:		Total Expenses
		General and Administrative	Fundraising	
Donated goods and services	\$ 155,668,813	\$ 6,153	\$ 2,215	\$ 155,677,181
Personnel costs	6,025,608	1,502,781	539,251	8,067,640
Grants to ministry partners	4,031,635	-	-	4,031,635
Emergency relief	1,098,272	-	-	1,098,272
Ministry resources (food, school supplies, books)	888,652	-	-	888,652
Depreciation and amortization	760,485	40,451	8,090	809,026
Rent	517,349	27,519	5,504	550,372
Freight and shipping charges	520,707	-	-	520,707
Ministry travel	312,831	32,660	28,890	374,381
Information technology	194,152	74,232	26,475	294,859
Insurance	220,852	31,735	10,211	262,798
Outside services	39,776	196,229	5,424	241,429
Utilities	125,227	47,435	17,076	189,738
Interest	118,874	6,710	1,265	126,849
Bank charges and merchant fees	-	113,242	-	113,242
Vehicle fuel and maintenance	106,090	-	-	106,090
Supplies	54,112	16,346	3,600	74,058
Printing	26,966	6,742	33,708	67,416
Facilities	62,330	3,315	663	66,308
Advertising	-	-	63,780	63,780
Postage	22,923	6,460	9,219	38,602
Volunteer expenses	33,169	-	-	33,169
Mercy network training	25,331	-	-	25,331
Dues and subscriptions	4,227	8,455	4,227	16,909
Taxes and licenses	3,670	2,806	1,047	7,523
	<u>\$ 170,862,051</u>	<u>\$ 2,123,271</u>	<u>\$ 760,645</u>	<u>\$ 173,745,967</u>

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended March 31, 2022

	Program Services	Supporting Activities:		Total Expenses
		General and Administrative	Fundraising	
Donated goods and services	\$ 104,766,404	\$ 14,156	\$ 5,096	\$ 104,785,656
Personnel costs	5,663,793	1,494,027	536,588	7,694,408
Grants to ministry partners	2,203,494	-	-	2,203,494
Emergency relief	759,921	-	-	759,921
Ministry resources (food, school supplies, books)	582,622	-	-	582,622
Depreciation and amortization	820,323	43,634	8,727	872,684
Rent	485,429	25,821	5,164	516,414
Freight and shipping charges	303,369	-	-	303,369
Ministry travel	139,971	19,937	16,729	176,637
Information technology	174,691	66,846	23,821	265,358
Insurance	185,800	27,663	8,628	222,091
Outside services	10,439	105,587	1,423	117,449
Utilities	122,371	46,353	16,687	185,411
Interest	124,251	6,488	1,298	132,037
Bank charges and merchant fees	-	105,076	-	105,076
Vehicle fuel and maintenance	96,200	-	-	96,200
Supplies	38,141	12,805	3,019	53,965
Printing	32,706	8,177	40,883	81,766
Facilities	64,207	3,415	683	68,305
Advertising	-	-	25,414	25,414
Postage	21,884	5,957	10,095	37,936
Volunteer expenses	14,277	-	-	14,277
Mercy network training	24,172	-	-	24,172
Dues and subscriptions	5,535	11,072	5,536	22,143
Taxes and licenses	30,382	4,383	1,199	35,964
	<u>\$ 116,670,382</u>	<u>\$ 2,001,397</u>	<u>\$ 710,990</u>	<u>\$ 119,382,769</u>

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Cash Flows

	Year Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,327,256	\$ 8,965,074
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated inventory	(156,160,534)	(104,728,643)
Distributed inventory	155,677,181	104,785,656
Donated investments	(246,310)	-
Contributions restricted for building campaign	-	(1,500,000)
Depreciation and amortization	809,026	872,684
Realized and unrealized loss on investments	145,745	198,878
Loss on disposal of land, buildings and equipment	5,663	113,120
Non-cash effect of change in accounting principle	22,821	-
Net change in:		
Pledges and accounts receivable	35,173	(58,597)
Purchased inventory	(192,251)	(41,027)
Prepaid expenses	(210,825)	(12,059)
Deposits	4,522	9,933
Accounts payable	269,760	(161,603)
Accrued expenses	26,480	183,002
Deferred rent and lease incentives	-	(19,914)
Deferred income	5,472	3,544
Net Cash Provided by Operating Activities	4,519,179	8,610,048
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	334,939	2,665,192
Purchases of investments	(22,655,000)	(5,424,705)
Purchases of land, buildings and equipment	(550,658)	(293,512)
Net Cash Used by Investing Activities	(22,870,719)	(3,053,025)

(continued)

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Cash Flows
(continued)

	Year Ended March 31,	
	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital lease repayments	-	(12,862)
Contributions restricted for building campaign	-	1,500,000
Long-term debt repayments	(103,434)	(100,132)
Net Cash Provided (Used) by Financing Activities	(103,434)	1,387,006
Change in Cash, Cash Equivalent, and Cash Held for Long-Term Purposes	(18,454,974)	6,944,029
Cash, Cash Equivalent, and Cash Held for Long-Term Purposes, Beginning of Year	26,399,011	19,454,982
Cash, Cash Equivalent, and Cash Held for Long-Term Purposes, End of Year	\$ 7,944,037	\$ 26,399,011
RECONCILIATION OF CASH BALANCES:		
Cash and cash equivalent	\$ 7,944,037	\$ 16,257,796
Cash held for long-term purposes	-	10,141,215
Cash, Cash Equivalent, and Cash Held for Long-Term Purposes, End of Year	\$ 7,944,037	\$ 26,399,011
SUPPLEMENTAL DISCLOSURES:		
Right-of-use assets obtained in exchange for operating lease obligations	\$ 1,070,706	\$ -
Cash paid for interest	\$ 123,004	\$ 128,579

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

1. NATURE OF ORGANIZATION:

Children's Hunger Fund (CHF) was incorporated in 1991 in California as a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law(s). However, CHF is subject to federal income tax on any unrelated business taxable income. In addition, CHF is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

CHF exists to assist in meeting the physical and spiritual needs of children and their families in the United States and developing countries by obtaining and distributing food and other items and by working in cooperation with other organizations toward that end.

CHF's primary support comes through cash contributions by individuals and organizations and contributions of food and other items.

CHF controls Children's Hunger Fund Legacy Foundation (CHFLF) by virtue of CHF's ability to appoint CHFLF's board of directors and because CHF has an economic interest in CHFLF. CHFLF is a supporting organization in that its primary purpose is to provide a means for donors to provide financial support to CHF. CHFLF was incorporated in 1997 in California as a nonprofit organization exempt from income taxes under Section 501(c)(3) of the IRC and comparable state law(s). However, the organization is subject to federal income tax on any unrelated business taxable income. In addition, the organization is classified as a private foundation within the meaning of Section 509(a) of the IRC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. A summary of the significant accounting policies is described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

All intercompany transactions and balances have been eliminated. Collectively, CHF and CHFLF are referred to as CHF.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit, and money market accounts. As of March 31, 2023 and 2022, CHF's cash balances exceeded federally insured limits by approximately \$4,006,000 and \$25,653,000, respectively.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PLEDGES AND ACCOUNTS RECEIVABLE

CHF records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years 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 the discounts is included in contribution revenue in the consolidated statements of activities. CHF determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. There is no allowance for doubtful accounts as of March 31, 2023 and 2022, as outstanding balances are considered fully collectible. Additionally, no discount has been recorded related to these pledges as the pledge receivables are expected to be collected within the next year.

INVESTMENTS

Investments consist of shares of equity securities, exchange traded funds (ETFs), corporate bonds, mutual funds, and cash and certificates of deposit. Investments other than cash and certificates of deposit, are carried at fair value, which is based upon quoted market prices. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Realized and unrealized gains and losses are reported as investment income without donor restrictions in the consolidated statements of activities unless restricted by the donor.

INVENTORY

Inventory consists primarily of donated goods and is recorded at estimated exit transaction fair value at the date of receipt, or at the lower of cost or net realizable value if purchased. At March 31, 2023 and 2022, there was no reserve for excess or obsolete inventory.

PREPAID EXPENSES

Prepaid expenses consist primarily of prepaid events and prepaid insurance for future periods.

OPERATING LEASES—RIGHT-OF-USE ASSETS AND OBLIGATIONS

CHF adopted Accounting Standards Update (ASU) 2016-02 (see recently adopted accounting standards below) and its related amendments as of April 1, 2022, which resulted in the recognition of operating leases right-of-use assets totaling \$570,351 as of March 31, 2023, as well as operating lease obligations totaling \$593,172. CHF elected to adopt the transition relief provisions from ASU 2018-11 and recorded the impact of adoption as of April 1, 2022 without restating prior-year amounts. The additional lease disclosure can be found in Note 6.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

LAND, BUILDINGS, AND EQUIPMENT

Expenditures for land, buildings, and equipment over \$1,000 are capitalized at cost. Donated items are recorded at the estimated fair value on the date of the gift. Depreciation is computed on the straight line method over the estimated useful lives of the assets. Expenditures that increase the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Expenditures for maintenance of property and equipment (including those for planned major maintenance projects), repairs, and minor renewals to maintain facilities in operating condition are generally expensed as incurred. Major replacements and renewals are capitalized.

Buildings and improvements	25 - 40 years
Furniture and equipment	5 - 7 years
Vehicles	5 years

DEFERRED INCOME

Deferred income represents the unearned portion of cash received related to a grant. Cash received related to grant contracts prior to when services are rendered are recorded as deferred income. The revenue is recognized when it is earned.

NET ASSETS

The consolidated financial statements report amounts by class of net assets as follows:

Net assets without donor restrictions are those currently available at the discretion of the board of directors for use in CHF's operations, resources invested in a board designated endowment fund, and those resources invested in land, buildings and equipment.

Net assets with donor restrictions are contributed with donor stipulations for specific operating purposes, for capital projects, or contributed with donor restrictions requiring that they be held in perpetuity with income used for specified purposes.

All contributions are considered available for unrestricted use unless specifically restricted by the donor.

BOARD DESIGNATED NET ASSETS

As of March 31, 2023 and 2022, the board of directors has designated the balance of investments of \$1,880,291 and \$1,757,530, respectively, as a quasi-endowment to support the mission of CHF. Since the amount resulted from an internal designation and is not donor restricted, it is classified and reported in net assets without donor restrictions.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUE, SUPPORT AND EXPENSES

Contributions and grants are recorded when cash or unconditional pledges have been received or ownership of donated assets is transferred to CHF. Conditional pledges are recognized when the conditions on which they depend are substantially met.

Contributions and grants are recorded as net assets with donor restrictions if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and are reported in the consolidated statements of activities as net assets released from restrictions. For contributions restricted by donors for the acquisition of property or other long-lived assets, the restriction is considered to be met when the property or other long-lived asset is placed in service.

Special events revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Program service revenue is shown net of cost of goods sold. Total cost of goods sold was approximately \$21,000 and \$16,000, for the years ended March 31, 2023 and 2022, respectively.

During the years ended March 31, 2023 and 2022, CHF received 25.9% and 31.3%, respectively of its cash contributions from one donor and 47.8% and 48.4%, respectively of its cash contributions from the top four donors.

GIFTS-IN-KIND

Contributed materials received by CHF are recorded as in-kind contribution revenue with a corresponding increase to inventory. CHF utilized three inventory valuation methods during the year ended March 31, 2023 and 2022. These methods include (1) current price located on a publicly available website if the inventory item is a match for the website item when donated; (2) percentage of the price located on a publicly available website if the item donated has been used but the item located online is new; (3) the current average price located on a publicly available website for similar items if a group of items are donated and the items range in price depending on model, size, etc. Substantially all of the contributed materials were utilized in CHF's program services.

During the years ended March 31, 2023 and 2022, CHF received 47.9% and 37.8%, respectively, of its gifts-in-kind contributions from two donors and 59.6% and 46.3%, respectively, of its gifts-in-kind contributions from the top four donors.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

GIFTS-IN-KIND, continued

CHF received the following contributions of nonfinancial assets:

	Year ended March 31,	
	2023	2022
Food	\$ 115,611,770	\$ 69,015,994
Clothing and household goods	17,593,520	15,551,361
Hygiene	16,219,630	17,741,908
Toys	5,774,220	1,708,736
Other supplies	961,394	710,644
	<u>\$ 156,160,534</u>	<u>\$ 104,728,643</u>

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program ministries and supporting services have been summarized on a functional basis. Accordingly, certain costs, such as depreciation and payroll, have been allocated among the program services and supporting activities benefited. Salaries and benefits and information technology costs have been allocated based on an estimate of time spent on each activity. Facility related costs are allocated based on the square footage dedicated to each activity. Other costs are allocated based on management estimates.

ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect the amounts reported in the consolidated financial statements and disclosures. Accordingly, actual results could differ from estimates.

ADVERTISING

Advertising expense was approximately \$64,000 and \$25,000, for the years ended March 31, 2023 and 2022, respectively. CHF uses advertising to promote the programs and fundraising events of CHF and these costs are expensed as incurred.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases* (Topic 842 of the ASC). The amendments in this update require organizations that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by the leases. A lessee is required to recognize assets and liabilities for leases with terms of more than 12 months. The amendments are effective for fiscal years beginning after December 15, 2021. CHF adopted this update for the year ended March 31, 2023. Some of CHF's contracts contain the right to control the use of property or assets and are therefore considered leases. CHF elected to adopt the transition relief provisions from ASU 2018-11, *Leases* (Topic 842): *Targeted Improvements* and recorded the impact of adoption as of April 1, 2022, without restating any prior-year amounts. CHF also elected the practical expedient to not separate lease and non-lease components and the accounting policy election to exclude short-term leases with lease terms of 12 months or less. The effect of the adjustment to opening balances of net assets totaled approximately \$23,000. As it was deemed immaterial, the net asset difference was adjusted through rent expense on the consolidated statement of activities and functional expenses. The additional lease disclosure can be found in Note 6.

During the year ended March 31, 2023, CHF adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the consolidated financial statements, with the exception of increased disclosures.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

3. FUNDS AVAILABLE AND LIQUIDITY:

The following reflects CHF's financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions, or board designations within one year of the consolidated statements of financial position.

	March 31,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 7,944,037	\$ 16,257,796
Pledges and accounts receivable	60,621	95,794
Investments	13,907,884	1,940,102
Cash held for long-term purposes	-	10,141,215
Investments held for long-term purposes	10,039,630	-
Endowment investments	3,670,744	3,257,530
Financial Assets, at period end	35,622,916	31,692,437
Less those not available for general expenditure within one year:		
Cash and investments restricted for Legacy Initiative	(2,972,237)	(1,833,582)
Cash held for long-term purposes	-	(10,141,215)
Investments held for long-term purposes	(10,039,630)	-
Endowment investments	(3,670,744)	(3,257,530)
Financial assets available for general expenditure within one year	\$ 18,940,305	\$ 16,460,110

CHF has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. CHF is substantially supported by contributions without donor restrictions. Regular cash projections are prepared to monitor available funds to cover coming needs.

The CHF Board adopted a Working Capital, Opportunity Funds, and Reserves Framework in September 2021. Under this framework, CHF seeks to maintain working capital of \$2,000,000 at fiscal year-end plus reserve funds of \$1,000,000. Maintaining these levels should ensure liquidity through normal cash flow cycles and provide a contingency in the event of a short term decrease in giving. Operating funds in excess of these amounts are considered opportunity funds and may be spent on key initiatives approved by the Board through the annual budget process or special approval.

Additionally, CHF has a \$1,000,000 line of credit with a bank which could be used to meet liquidity needs. Further, because some of the endowment funds are board designated, the board can remove the designation at any time and make the funds immediately available for use. As of March 31, 2023 and 2022, board designated endowment funds were \$1,880,291 and \$1,757,530, respectively.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

4. INVESTMENTS AND ENDOWMENT INVESTMENTS:

Investments and endowment investments consist of the following:

	March 31,	
	2023	2022
Cash and certificates of deposit	\$ 914,088	\$ 239,971
Equity securities and ETF's	3,581,189	3,222,409
Corporate bonds	273,574	26,809
Government fixed income	21,853,553	518,947
Closed-end mutual funds	995,854	1,189,496
	<u>\$ 27,618,258</u>	<u>\$ 5,197,632</u>
	March 31,	
	2023	2022
Investments	\$ 13,907,884	\$ 1,940,102
Investments held for long-term purposes	10,039,630	-
Endowment investments	3,670,744	3,257,530
	<u>\$ 27,618,258</u>	<u>\$ 5,197,632</u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

5. FAIR VALUE MEASUREMENTS:

CHF uses appropriate valuation techniques to determine fair value based on inputs available. When available, CHF measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs were not available.

Fair values of assets measured on a recurring basis at March 31, 2023 are as follows:

	Total	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities, and ETFs	\$ 3,581,189	\$ 3,581,189	\$ -	\$ -
Corporate bonds	273,574	-	273,574	-
Government fixed income	21,853,553	21,853,553	-	-
Closed-end mutual funds	995,854	995,854	-	-
Investments at fair value	26,704,170	\$ 26,430,596	\$ 273,574	\$ -
Cash and certificates of deposit	914,088			
Total investments	\$ 27,618,258			

Fair values of assets measured on a recurring basis at March 31, 2022 are as follows:

	Total	Fair Value Measurements Using:		
		Level 1	Level 2	Level 3
Equity securities, and ETFs	\$ 3,222,409	\$ 3,222,409	\$ -	\$ -
Corporate bonds	26,809	-	26,809	-
Government fixed income	518,947	518,947	-	-
Closed-end mutual funds	1,189,496	1,189,496	-	-
Investments at fair value	4,957,661	\$ 4,930,852	\$ 26,809	\$ -
Cash and certificates of deposit	239,971			
Total investments	\$ 5,197,632			

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

6. OPERATING LEASE—RIGHT-OF-USE ASSETS AND OBLIGATIONS:

CHF leases facilities and equipment under operating lease agreements with average monthly payments of approximately \$43,000, maturing at various dates through December 2024. The discount rate represents the risk-free discount rate using a period comparable with that of an individual lease term on the inception date of the lease. Total expenses incurred under the operating lease agreements for the year ended March 31, 2023 was approximately \$592,000.

	<u>March 31, 2023</u>
Operating lease right-of-use assets	\$ 570,351
Operating lease liabilities	\$ 593,172
Operating lease costs	\$ 510,908
Weighted-average discount rate	1.15%
Weighted-average remaining lease term	1.16 years

Future minimum lease payments required under finance and operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending March 31,</u>	
2024	\$ 508,545
2025	88,144
	<u>596,689</u>
Less: imputed interest	<u>(3,517)</u>
	<u>\$ 593,172</u>

Prior to the adoption of ASUs 2016-02 and 2018-11 under Topic 842 as described in Note 2, CHF was applying Topic 840 in relation to operating leases. During the year ended March 31, 2022, CHF had operating lease expenses of approximately \$544,000.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

7. LAND, BUILDINGS, AND EQUIPMENT-NET:

Land, buildings, and equipment-net consist of the following:

	March 31,	
	2023	2022
Land	\$ 4,500,000	\$ 4,500,000
Buildings and improvements	9,821,118	9,550,213
Furniture and equipment	3,798,050	3,569,906
Vehicles	672,272	685,899
	18,791,440	18,306,018
Less accumulated depreciation and amortization	(5,140,023)	(4,394,027)
Land, building, and equipment-net	\$ 13,651,417	\$ 13,911,991

8. LONG-TERM DEBT:

Long-term debt consists of:

	March 31,	
	2023	2022
Tax-exempt loan obligation to a financial institution, collateralized by all of CHF's assets, including real property, monthly payments of \$18,870, including principal and interest at 2.75% at March 31, 2023, maturing November 5, 2050.	\$ 4,351,821	\$ 4,455,256
Less: prepaid loan costs	(95,675)	(99,133)
	4,256,146	4,356,123
Less: current portion	(105,837)	(103,247)
	\$ 4,150,309	\$ 4,252,876

At March 31, 2023, annual maturities, are as follows:

<u>Year Ending March 31,</u>	
2024	\$ 105,837
2025	109,152
2026	112,234
2027	115,404
2028	118,372
Thereafter	3,790,822
	\$ 4,351,821

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

8. LONG-TERM DEBT, continued:

CHF was in compliance with all financial and reporting covenants, as of March 31, 2023 and 2022.

LINE OF CREDIT

Revolving line of credit with a bank, bearing interest at the bank's variable rate equal to the prime rate minus .25% and no less than 3.0% (7.75% at March 31, 2023), collateralized by a commercial security agreement covering substantially all of CHF's assets. Maximum amount available under the line is \$1,000,000. Interest-only payments due monthly, with principal due on demand, maturing November 1, 2025. CHF did not draw on the line during the years ended March 31, 2023 or 2022.

9. NET ASSETS:

Net assets without donor restrictions consists of:

	March 31,	
	2023	2022
Undesignated net assets	\$ 24,177,273	\$ 19,880,699
Board designated:		
Capital projects	3,601,215	3,601,215
Quasi-endowment	1,880,291	1,757,530
	5,481,506	5,358,745
	\$ 29,658,779	\$ 25,239,444

Net assets with donor restrictions consists of:

	March 31,	
	2023	2022
Legacy Initiative	\$ 7,230,237	\$ 5,860,882
Endowment	1,790,453	1,500,000
International Mercy Networks	925,346	2,614,098
Growth initiative	505,000	-
Emergency relief	476,400	740,000
Catalog programs	400,000	492,500
Poverty Encounter	373,500	483,950
Beneficial interest in trust	61,217	61,217
Capital programs—building and equipment	6,438,415	6,540,000
	\$ 18,200,568	\$ 18,292,647

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

10. ENDOWMENT FUNDS:

CHFLF's endowment consists of an endowment with donor imposed restrictions and a quasi-endowment established by the board by designating the investment balance as an endowment under Uniform Prudent Management of Institutional Funds (UPMIFA). CHFLF's endowment consists of the investment asset as a general endowment to support the mission of CHF. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of CHFLF has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CHFLF classifies as net assets with donor restriction in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Any remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity would be classified as net assets restricted by purpose or time until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, CHFLF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Endowment net asset composition by type of fund as of March 31, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment funds	<u>\$ 1,880,291</u>	<u>\$ 1,790,453</u>	<u>\$ 3,670,744</u>

Endowment net asset composition by type of fund as of March 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment funds	<u>\$ 1,757,530</u>	<u>\$ 1,500,000</u>	<u>\$ 3,257,530</u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

10. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended March 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, March 31, 2022	\$ 1,757,530	\$ 1,500,000	\$ 3,257,530
Investment return:			
Interest and dividend income reinvested	27,749	29,114	56,863
Realized and unrealized losses, net	(59,988)	(238,661)	(298,649)
Total investment loss	(32,239)	(209,547)	(241,786)
Additions to endowment	155,000	500,000	655,000
Endowment net assets, March 31, 2023	\$ 1,880,291	\$ 1,790,453	\$ 3,670,744

Changes in endowment net assets for the year ended March 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, March 31, 2021	\$ 1,636,997	\$ 1,000,000	\$ 2,636,997
Investment return:			
Interest and dividend income reinvested	86,916	-	86,916
Realized and unrealized losses, net	(14,608)	-	(14,608)
Total investment return	72,308	-	72,308
Additions to endowment	48,225	500,000	548,225
Endowment net assets March 31, 2022	\$ 1,757,530	\$ 1,500,000	\$ 3,257,530

CHFLF appropriates up to four percent of the fund's average fair value over the three previous calendar year ends for distribution each fiscal year. This policy seeks to maintain principal in the fund by spending below expected average returns.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2023 and 2022

11. PENSION PLAN:

CHF has a defined contribution plan covering all employees with at least six months of service. For the years ended March 31, 2023 and 2022, CHF contributed approximately \$116,000 and \$111,000, respectively, to this plan.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 23, 2023, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

The Board of Directors
Children's Hunger Fund and Subsidiary
Sylmar, California

We have audited the consolidated financial statements of Children's Hunger Fund and Subsidiary as of and for the years ended March 31, 2023 and 2022, and our report thereon dated June 23, 2023, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position as of March 31, 2023 and 2022, and the consolidating statements of activities for the years ended March 31, 2023 and 2022, are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations, and they are not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Capin Crouse LLP

Woodland Hills, California
June 23, 2023

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidating Statement of Financial Position

As of March 31, 2023

	CHF	CHFLF	Eliminations	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 4,908,213	\$ 3,035,824	\$ -	\$ 7,944,037
Pledges and accounts receivable	783,826	-	(723,205)	60,621
Investments	8,965,161	4,942,723	-	13,907,884
Inventory	3,030,309	-	-	3,030,309
Prepaid expenses	786,039	4,358	-	790,397
	18,473,548	7,982,905	(723,205)	25,733,248
Investments held for long-term purposes	4,013,215	6,026,415	-	10,039,630
Endowment investments	-	3,670,744	-	3,670,744
Deposits	41,086	-	-	41,086
Beneficial interest in trusts	61,217	-	-	61,217
Operating lease–right-of-use assets	570,351	-	-	570,351
Land, buildings and equipment-net	13,651,417	-	-	13,651,417
	18,473,548	7,982,905	(723,205)	25,733,248
Total Assets	\$ 36,810,834	\$ 17,680,064	\$ (723,205)	\$ 53,767,693
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Accounts payable	\$ 445,464	\$ -	\$ -	\$ 445,464
Accrued expenses	560,798	-	-	560,798
Grants to CHF	-	723,205	(723,205)	-
Deferred income	52,766	-	-	52,766
Current portion of operating lease obligation	508,545	-	-	508,545
Current portion of long-term debt	105,837	-	-	105,837
	1,673,410	723,205	(723,205)	1,673,410
Operating lease obligation–net of current portion	84,627	-	-	84,627
Long-term debt–net of current portion and unamortized loan costs	4,150,309	-	-	4,150,309
Total Liabilities	5,908,346	723,205	(723,205)	5,908,346
Net Assets:				
Without donor restrictions:				
Undesignated	24,147,810	29,463	-	24,177,273
Board designated	3,601,215	1,880,291	-	5,481,506
	27,749,025	1,909,754	-	29,658,779
With donor restrictions	3,153,463	15,047,105	-	18,200,568
Total Net Assets	30,902,488	16,956,859	-	47,859,347
Total Liabilities and Net Assets	\$ 36,810,834	\$ 17,680,064	\$ (723,205)	\$ 53,767,693

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidating Statement of Financial Position

As of March 31, 2022

	CHF	CHFLF	Eliminations	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 10,963,170	\$ 5,294,626	\$ -	\$ 16,257,796
Pledges and accounts receivable	492,353	-	(396,559)	95,794
Investments	965,815	974,287	-	1,940,102
Inventory	2,354,705	-	-	2,354,705
Prepaid expenses	579,227	345	-	579,572
	15,355,270	6,269,258	(396,559)	21,227,969
Cash held for long-term purposes	4,141,215	6,000,000	-	10,141,215
Endowment investments	-	3,257,530	-	3,257,530
Deposits	45,608	-	-	45,608
Beneficial interest in trusts	61,217	-	-	61,217
Land, buildings and equipment-net	13,911,991	-	-	13,911,991
	4,141,215	6,000,000	-	10,141,215
	-	3,257,530	-	3,257,530
	45,608	-	-	45,608
	61,217	-	-	61,217
	13,911,991	-	-	13,911,991
Total Assets	\$ 33,515,301	\$ 15,526,788	\$ (396,559)	\$ 48,645,530
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Accounts payable	\$ 173,504	\$ 2,200	\$ -	\$ 175,704
Accrued expenses	533,953	365	-	534,318
Grants to CHF	-	396,559	(396,559)	-
Deferred income	47,294	-	-	47,294
Current portion of long-term debt	103,247	-	-	103,247
	857,998	399,124	(396,559)	860,563
Debt-net of current portion	4,252,876	-	-	4,252,876
Total Liabilities	5,110,874	399,124	(396,559)	5,113,439
Net Assets:				
Without donor restrictions				
Undesignated	19,871,447	9,252	-	19,880,699
Board designated	3,601,215	1,757,530	-	5,358,745
	23,472,662	1,766,782	-	25,239,444
With donor restrictions	4,931,765	13,360,882	-	18,292,647
Total Net Assets	28,404,427	15,127,664	-	43,532,091
Total Liabilities and Net Assets	\$ 33,515,301	\$ 15,526,788	\$ (396,559)	\$ 48,645,530

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidating Statement of Activities

For the Year Ended March 31, 2023

	CHF	CHFLF	Eliminations	Total
REVENUE AND SUPPORT:				
Contributions—cash	\$ 17,466,794	\$ 5,178,018	\$ (3,310,000)	\$ 19,334,812
Gifts-in-kind	156,160,534	-	-	156,160,534
Special events revenue	2,849,824	-	-	2,849,824
Less: Cost of direct benefits to donors	(518,083)	-	-	(518,083)
Program service revenue	304,621	-	-	304,621
Investment income (loss), net	105,482	(158,304)	-	(52,822)
Loss on disposal of assets	(5,663)	-	-	(5,663)
Total Revenue and Support	176,363,509	5,019,714	(3,310,000)	178,073,223
EXPENSES:				
Program services	171,012,851	3,159,200	(3,310,000)	170,862,051
Supporting activities:				
Management and general	2,093,352	29,919	-	2,123,271
Fundraising	759,245	1,400	-	760,645
	2,852,597	31,319	-	2,883,916
Total Expenses	173,865,448	3,190,519	(3,310,000)	173,745,967
Change in Net Assets	2,498,061	1,829,195	-	4,327,256
Net Assets, Beginning of Year	28,404,427	15,127,664	-	43,532,091
Net Assets, End of Year	\$ 30,902,488	\$ 16,956,859	\$ -	\$ 47,859,347

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidating Statement of Activities

For the Year Ended March 31, 2022

	CHF	CHFLF	Eliminations	Total
REVENUE AND SUPPORT:				
Contributions—cash	\$ 18,676,534	\$ 5,053,873	\$ (1,311,443)	\$ 22,418,964
Gifts-in-kind	104,508,197	220,446	-	104,728,643
Special events revenue	1,696,723	-	-	1,696,723
Less: Cost of direct benefits to donors	(560,285)	-	-	(560,285)
Program service revenue	119,196	-	-	119,196
Investment income (loss), net	(11,161)	68,883	-	57,722
Loss on disposal of assets	(113,120)	-	-	(113,120)
Total Revenue and Support	124,316,084	5,343,202	(1,311,443)	128,347,843
EXPENSES:				
Program services	116,486,761	1,495,064	(1,311,443)	116,670,382
Supporting activities:				
Management and general	1,968,814	32,583	-	2,001,397
Fundraising	709,690	1,300	-	710,990
	2,678,504	33,883	-	2,712,387
Total Expenses	119,165,265	1,528,947	(1,311,443)	119,382,769
Change in Net Assets	5,150,819	3,814,255	-	8,965,074
Net Assets, Beginning of Year	23,253,608	11,313,409	-	34,567,017
Net Assets, End of Year	\$ 28,404,427	\$ 15,127,664	\$ -	\$ 43,532,091