

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Financial Statements
With Independent Auditors' Report

March 31, 2024 and 2023

CHILDREN'S HUNGER FUND AND SUBSIDIARY

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INDEPENDENT AUDITORS' REPORT

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, 2024 and 2023, 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, 2024 and 2023, 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 18, 2024

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Financial Position

	March 31,	
	2024	2023
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 9,265,933	\$ 7,944,037
Pledges and accounts receivable	545,189	60,621
Investments	15,199,467	14,319,884
Inventory	2,643,070	3,030,309
Prepaid expenses	801,583	790,397
	28,455,242	26,145,248
Endowment investments	4,892,027	3,670,744
Deposits	41,086	41,086
Beneficial interest in trusts	61,217	61,217
Operating lease—right-of-use assets	1,514,505	570,351
Financing lease—right-of-use asset	172,967	-
Investments held for long-term purposes	4,683,427	9,627,630
Land, buildings and equipment—net	18,900,289	13,651,417
	\$ 58,720,760	\$ 53,767,693
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 381,366	\$ 445,464
Accrued expenses	584,942	560,798
Deferred income	66,257	52,766
Operating lease obligations—current	389,349	508,545
Financing lease obligation—current	35,040	-
Long-term debt—current	109,152	105,837
	1,566,106	1,673,410
Operating lease obligations—net of current portion	1,130,185	84,627
Financing lease obligation—net of current portion	137,927	-
Long-term debt—net of current portion and unamortized loan costs	4,054,485	4,150,309
Total liabilities	6,888,703	5,908,346
Net Assets:		
Without donor restrictions:		
Undesignated	29,422,546	24,177,273
Board designated	2,057,479	5,481,506
	31,480,025	29,658,779
With donor restrictions	20,352,032	18,200,568
Total net assets	51,832,057	47,859,347
Total Liabilities and Net Assets	\$ 58,720,760	\$ 53,767,693

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Activities

	Year Ended March 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND RECLASSIFICATIONS:						
Contributions—cash	\$ 12,357,287	\$ 1,028,168	\$ 13,385,455	\$ 11,952,361	\$ 7,382,451	\$ 19,334,812
Donated securities	-	5,392,740	5,392,740	-	-	-
Gifts-in-kind	114,076,049	-	114,076,049	156,160,534	-	156,160,534
Special events revenue	1,334,632	549,267	1,883,899	1,429,100	1,420,724	2,849,824
Less: Cost of direct benefits to donors	(495,995)	-	(495,995)	(518,083)	-	(518,083)
Program service revenue, net	237,708	-	237,708	304,621	-	304,621
Investment income (loss), net	1,585,321	515,166	2,100,487	73,242	(126,064)	(52,822)
Gain (loss) on disposal of assets	689	-	689	(5,663)	-	(5,663)
Net assets released from restriction through satisfaction of purpose and time restrictions	5,333,877	(5,333,877)	-	8,769,190	(8,769,190)	-
Total Revenue, Support, and Reclassifications	134,429,568	2,151,464	136,581,032	178,165,302	(92,079)	178,073,223
EXPENSES:						
Program services	128,627,047	-	128,627,047	170,862,051	-	170,862,051
Supporting activities:						
Management and general	2,888,647	-	2,888,647	2,123,271	-	2,123,271
Fundraising	1,092,628	-	1,092,628	760,645	-	760,645
	3,981,275	-	3,981,275	2,883,916	-	2,883,916
Total Expenses	132,608,322	-	132,608,322	173,745,967	-	173,745,967
Change in Net Assets	1,821,246	2,151,464	3,972,710	4,419,335	(92,079)	4,327,256
Net Assets, Beginning of Year	29,658,779	18,200,568	47,859,347	25,239,444	18,292,647	43,532,091
Net Assets, End of Year	\$ 31,480,025	\$ 20,352,032	\$ 51,832,057	\$ 29,658,779	\$ 18,200,568	\$ 47,859,347

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended March 31, 2024

	Program Services	Supporting Activities:		Total Expenses
		General and Administrative	Fundraising	
Donated goods and services	\$ 114,490,752	\$ -	\$ -	\$ 114,490,752
Personnel costs	6,032,064	2,168,691	811,111	9,011,866
Grants to ministry partners	3,622,330	-	-	3,622,330
Ministry resources (food, school supplies, and books)	1,102,888	-	-	1,102,888
Depreciation and amortization	772,199	41,074	8,215	821,488
Rent	505,439	26,885	5,377	537,701
Information technology	293,985	106,043	39,491	439,519
Ministry travel	306,459	32,009	29,463	367,931
Freight and shipping charges	361,262	-	-	361,262
Outside services	35,102	289,027	4,715	328,844
Insurance	236,347	31,021	9,917	277,285
Emergency relief	244,700	-	-	244,700
Utilities	133,490	47,817	17,931	199,238
Interest	108,155	5,753	1,151	115,059
Vehicle fuel and maintenance	104,934	-	-	104,934
Bank charges and merchant fees	-	101,168	-	101,168
Facilities	75,912	4,038	807	80,757
Advertising	-	-	115,565	115,565
Supplies	57,682	17,706	4,544	79,932
Printing	27,253	6,814	34,068	68,135
Postage	26,623	7,653	9,392	43,668
Mercy network training	30,637	-	-	30,637
Volunteer expenses	30,145	-	-	30,145
Taxes and licenses	14,177	2,176	727	17,080
Dues and subscriptions	14,512	772	154	15,438
	\$ 128,627,047	\$ 2,888,647	\$ 1,092,628	\$ 132,608,322

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
Ministry resources (food, school supplies, and 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
Information technology	194,152	74,232	26,475	294,859
Ministry travel	312,831	32,660	28,890	374,381
Freight and shipping charges	520,707	-	-	520,707
Outside services	39,776	196,229	5,424	241,429
Insurance	220,852	31,735	10,211	262,798
Emergency relief	1,098,272	-	-	1,098,272
Utilities	125,227	47,435	17,076	189,738
Interest	118,874	6,710	1,265	126,849
Vehicle fuel and maintenance	106,090	-	-	106,090
Bank charges and merchant fees	-	113,242	-	113,242
Facilities	62,330	3,315	663	66,308
Advertising	-	-	63,780	63,780
Supplies	54,112	16,346	3,600	74,058
Printing	26,966	6,742	33,708	67,416
Postage	22,923	6,460	9,219	38,602
Mercy network training	25,331	-	-	25,331
Volunteer expenses	33,169	-	-	33,169
Taxes and licenses	3,670	2,806	1,047	7,523
Dues and subscriptions	4,227	8,455	4,227	16,909
	<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 Statements of Cash Flows

	Year Ended March 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,972,710	\$ 4,327,256
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted for endowments	(617,429)	(655,000)
Donated inventory	(114,076,049)	(156,160,534)
Distributed inventory	114,490,752	155,677,181
Donated investments	(5,392,740)	-
Depreciation and amortization	821,488	809,026
Realized and unrealized (gain) loss on investments	(1,689,269)	145,745
Loss on disposal of land, buildings and equipment	689	5,663
Non-cash effect of change in accounting principle	-	22,821
Non-cash change in right-of-use asset and liability	(17,792)	-
Net change in:		
Pledges and accounts receivable	(484,568)	35,173
Purchased inventory	(27,464)	(192,251)
Prepaid expenses	(11,186)	(210,825)
Deposits	-	4,522
Accounts payable	(64,098)	269,760
Accrued expenses	24,144	26,480
Deferred income	13,491	5,472
Net Cash Provided (Used) by Operating Activities	(3,057,321)	4,110,489
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	10,600,723	88,629
Purchases of investments	(675,377)	(22,655,000)
Purchases of land, buildings and equipment	(6,067,592)	(550,658)
Net Cash Provided (Used) by Investing Activities	3,857,754	(23,117,029)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long-term debt repayments	(95,966)	(103,434)
Contributions restricted for endowments	617,429	655,000
Net Cash Provided by Financing Activities	521,463	551,566

(continued)

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Cash Flows (continued)

	Year Ended March 31,	
	2024	2023
Change in Cash and Cash Equivalents	1,321,896	(18,454,974)
Cash and Cash Equivalents, Beginning of Year	7,944,037	26,399,011
Cash and Cash Equivalents, End of Year	<u>\$ 9,265,933</u>	<u>\$ 7,944,037</u>
SUPPLEMENTAL DISCLOSURES:		
Right-of-use assets obtained in exchange for financing lease obligation	<u>\$ 172,967</u>	<u>\$ -</u>
Right-of-use assets obtained in exchange for operating lease obligations	<u>\$ 1,452,008</u>	<u>\$ 1,070,706</u>
Cash paid for interest	<u>\$ 111,600</u>	<u>\$ 123,004</u>

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

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 CHF has an economic interest in CHFLF. Therefore, CHFLF is consolidated with CHF. 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 the Organization.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit, and money market accounts. As of March 31, 2024 and 2023, the Organization's cash balances exceeded federally insured balances (through the National Credit Union Administration and the Federal Deposit Insurance Corporation) by approximately \$3,013,000 and \$3,806,000, respectively.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PLEDGES AND ACCOUNTS RECEIVABLE

The Organization 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. The Organization 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, 2024 and 2023, 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, government fixed income, 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, 2024 and 2023, 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 AND FINANCING LEASES—RIGHT-OF-USE ASSETS AND OBLIGATIONS

Some of the Organization's contracts contain the right to control the use of property or assets and are therefore considered leases. The Organization records right-of-use assets and lease obligations on the statements of financial position for the rights and obligations created by leases with initial terms of more than twelve months. The Organization has elected to not separate lease and non-lease components.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

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 the Organization'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, 2024 and 2023, the board of directors has designated the balance of investments of \$2,057,479 and \$1,880,291, respectively, as a quasi-endowment to support the mission of the Organization. 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, 2024 and 2023

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 the Organization. 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. Donated securities are liquidated upon receipt and are included in contributions—cash on the consolidated statements of activities. During the year ended March 31, 2024, the Organization received a securities donation of approximately \$5,393,000 with donor restrictions. This donation is reported in donated securities on the consolidated statements of activities for the year ended March 31, 2024.

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 \$19,000 and \$21,000 for the years ended March 31, 2024 and 2023, respectively.

During the years ended March 31, 2024 and 2023, the Organization received 28% and 26%, respectively, of its cash contributions from one donor and 47% and 48%, respectively, of its cash contributions from the top four donors.

GIFTS-IN-KIND

Contributed materials received by the Organization are recorded as in-kind contribution revenue with a corresponding increase to inventory. The Organization utilized three inventory valuation methods during the years ended March 31, 2024 and 2023. These methods include (1) the current price located on a publicly available website if the inventory item is a match for the website item when donated; (2) the percentage of the price located on a publicly available website if the item donated has been used but the item located online is new; and (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 the Organization's program services.

During the years ended March 31, 2024 and 2023, the Organization received 63% and 48%, respectively, of its gifts-in-kind contributions from two donors and 81% and 60%, 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, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

GIFTS-IN-KIND, continued

The Organization received the following contributions of nonfinancial assets:

	Year ended March 31,	
	2024	2023
Food, water, and beverages	\$ 83,648,140	\$ 115,611,770
Clothing and household goods	15,855,969	17,593,520
Hygiene	10,804,498	16,219,630
Toys	1,551,506	5,774,220
Other supplies and products	2,215,936	961,394
	<u>\$ 114,076,049</u>	<u>\$ 156,160,534</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 \$80,000 and \$64,000 for the years ended March 31, 2024 and 2023, respectively. The Organization uses advertising to promote the programs and fundraising events of the Organization and these costs are expensed as incurred.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

3. FUNDS AVAILABLE AND LIQUIDITY:

The following reflects the Organization'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,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 9,265,933	\$ 7,944,037
Pledges and accounts receivable	545,189	60,621
Investments	15,199,467	14,319,884
Investments held for long-term purposes	4,683,427	9,627,630
Endowment investments	4,892,027	3,670,744
	<u>34,586,043</u>	<u>35,622,916</u>
Less those not available for general expenditure within one year:		
Donor restricted funds	(1,225,961)	(2,972,237)
Investments held for long-term purposes	(4,683,427)	(9,627,630)
Endowment investments	(4,892,027)	(3,670,744)
	<u>(10,801,415)</u>	<u>(16,270,611)</u>
Financial assets available for general expenditure within one year	<u>\$ 23,784,628</u>	<u>\$ 19,352,305</u>

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

The Organization's Board adopted a Working Capital, Opportunity Funds, and Reserves Framework in September 2021. Under this framework, the Organization seeks to maintain available cash of \$2,000,000 at fiscal year-end plus reserve funds of \$1,000,000. Maintaining these levels provides liquidity through normal cash flow cycles and provides 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, the Organization 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, 2024 and 2023, board designated endowment funds were \$2,057,479 and \$1,880,291, respectively.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

4. INVESTMENTS AND ENDOWMENT INVESTMENTS:

Investments and endowment investments consist of the following:

	March 31,	
	2024	2023
Cash and certificates of deposit	\$ 4,987,452	\$ 914,088
Equity securities and ETF's	4,132,932	3,581,189
Corporate bonds	1,135,003	273,574
Government fixed income	13,161,861	21,853,553
Mutual funds	1,357,673	995,854
	<u>\$ 24,774,921</u>	<u>\$ 27,618,258</u>

Investments appear on the consolidated statements of financial position in the following categories:

	March 31,	
	2024	2023
Investments	\$ 15,199,467	\$ 14,319,884
Investments held for long-term purposes	4,683,427	9,627,630
Endowment investments	4,892,027	3,670,744
	<u>\$ 24,774,921</u>	<u>\$ 27,618,258</u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

5. FAIR VALUE MEASUREMENTS:

The Organization uses appropriate valuation techniques to determine fair value based on inputs available. Level 1 investments are determined by observable inputs that reflect quoted market prices for identical securities in active markets. Level 2 inputs are based on (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 3 investments are based on unobservable inputs and are only used when Level 1 or Level 2 inputs are not available. Fair values of assets measured on a recurring basis at March 31, 2024 are as follows:

	Fair Value Measurements Using:			Total
	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	\$ 4,132,932	\$ -	\$ -	\$ 4,132,932
Corporate bonds	-	1,135,003	-	1,135,003
Government fixed income	13,161,861	-	-	13,161,861
Closed-end mutual funds	1,357,673	-	-	1,357,673
Investments at fair value	<u>\$ 18,652,466</u>	<u>\$ 1,135,003</u>	<u>\$ -</u>	19,787,469
Cash and certificates of deposit				<u>4,987,452</u>
Total investments				<u>\$ 24,774,921</u>

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

	Fair Value Measurements Using:			Total
	Level 1	Level 2	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	<u>\$ 26,430,596</u>	<u>\$ 273,574</u>	<u>\$ -</u>	26,704,170
Cash and certificates of deposit				<u>914,088</u>
Total investments				<u>\$ 27,618,258</u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

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 February 2029. 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 years ended March 31, 2024 and 2023 was approximately \$512,000 and \$511,000.

	March 31,	
	2024	2023
Operating lease right-of-use assets	\$ 1,514,505	\$ 570,351
Operating lease liabilities	\$ 1,519,534	\$ 593,172
Operating lease costs	\$ 511,838	\$ 510,908
Weighted-average discount rate	3.96%	1.15%
Weighted-average remaining lease term	4.7 years	1.2 years

Future minimum lease payments required under 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>	
2025	\$ 389,349
2026	312,246
2027	323,662
2028	335,511
2029	317,710
	1,678,478
Less: imputed interest	(158,944)
	\$ 1,519,534

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

7. FINANCING LEASE—RIGHT OF USE ASSET AND OBLIGATION:

CHF leases a vehicle under a noncancelable financing lease expiring March 2031. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. Monthly payment on the lease is \$2,920 and the discount rate on this lease is 10.54%.

	<u>March 31, 2024</u>
Financing lease right-of-use asset	\$ 172,967
Financing lease liability	\$ 172,967
Weighted-average discount rate	10.54%
Weighted-average remaining lease term	7 years

Future minimum lease payments required under finance 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>		
2025	\$	35,040
2026		35,040
2027		35,040
2028		35,040
2029		35,040
Thereafter		70,080
		245,280
Less: imputed interest		(72,313)
	\$	172,967

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

8. LAND, BUILDING, AND EQUIPMENT–NET:

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

	March 31,	
	2024	2023
Land	\$ 4,500,000	\$ 4,500,000
Buildings and improvements	9,872,161	9,821,118
Furniture and equipment	4,268,582	3,798,050
Vehicles	547,560	672,272
	19,188,303	18,791,440
Less accumulated depreciation and amortization	(5,827,063)	(5,140,023)
	13,361,240	13,651,417
Construction in progress	5,539,049	-
	\$ 18,900,289	\$ 13,651,417

9. LONG-TERM DEBT:

Long-term debt consists of:

	March 31,	
	2024	2023
Tax-exempt loan obligation to a financial institution, collateralized by all of the Organization's assets, including real property, monthly payments of \$18,870, including principal and interest at 2.75%, maturing November 5, 2050.	\$ 4,255,854	\$ 4,351,821
Less: prepaid loan costs	(92,217)	(95,675)
	4,163,637	4,256,146
Less: current portion	(109,152)	(105,837)
	\$ 4,054,485	\$ 4,150,309

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

9. LONG-TERM DEBT, continued:

At March 31, 2024, annual maturities, are as follows:

<u>Year Ending March 31,</u>	
2025	\$ 109,152
2026	112,234
2027	115,404
2028	118,372
2029	122,006
Thereafter	<u>3,678,686</u>
	<u><u>\$ 4,255,854</u></u>

The Organization was in compliance with all financial and reporting covenants as of March 31, 2024 and 2023.

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% (8.25% at March 31, 2024), collateralized by a commercial security agreement covering substantially all of the Organization's assets. The maximum amount available under the line is \$1,000,000. Interest-only payments are due monthly, with principal due on demand, maturing November 1, 2025. The Organization did not draw on the line during the years ended March 31, 2024 or 2023.

10. NET ASSETS:

Net assets without donor restrictions consists of:

	<u>March 31,</u>	
	<u>2024</u>	<u>2023</u>
Undesignated net assets	<u>\$ 29,422,546</u>	<u>\$ 24,177,273</u>
Board designated:		
Quasi-endowment	2,057,479	1,880,291
Capital projects	-	3,601,215
	<u>2,057,479</u>	<u>5,481,506</u>
	<u><u>\$ 31,480,025</u></u>	<u><u>\$ 29,658,779</u></u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

10. NET ASSETS, continued:

Net assets with donor restrictions consists of:

	March 31,	
	2024	2023
Legacy Initiative	\$ 8,984,166	\$ 7,230,237
Endowment	2,834,548	1,790,453
International Mercy Networks	457,951	925,346
Catalog programs	320,334	400,000
Poverty Encounter	288,992	373,500
Emergency relief	254,917	476,400
Growth initiative	103,896	505,000
Beneficial interest in trust	61,217	61,217
Capital programs—building and equipment	7,046,011	6,438,415
	<u>\$ 20,352,032</u>	<u>\$ 18,200,568</u>

11. 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 the Organization. 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:

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

11. ENDOWMENT FUNDS, continued:

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, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 2,057,479	\$ 2,834,548	\$ 4,892,027

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

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

Changes in endowment net assets for the year ended March 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, March 31, 2023	\$ 1,880,291	\$ 1,790,453	\$ 3,670,744
Investment return:			
Interest and dividend income reinvested	61,644	73,779	135,423
Realized and unrealized gain, net	27,044	441,387	468,431
Total investment return	88,688	515,166	603,854
Additions to endowment	88,500	528,929	617,429
Endowment net assets, March 31, 2024	\$ 2,057,479	\$ 2,834,548	\$ 4,892,027

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

11. 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 return	(32,239)	(209,547)	(241,786)
Additions to endowment	155,000	500,000	655,000
Endowment net assets March 31, 2023	<u>\$ 1,880,291</u>	<u>\$ 1,790,453</u>	<u>\$ 3,670,744</u>

The CHFLF board may appropriate 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.

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of March 31, 2024 and 2023.

12. PENSION PLAN:

The Organization has a defined contribution plan covering all employees with at least six months of service. For the years ended March 31, 2024 and 2023, the Organization contributed approximately \$200,000 and \$116,000, respectively, to this plan.

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 18, 2024, 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**

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, 2024 and 2023, and our report thereon dated June 18, 2024, 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, 2024 and 2023, and the consolidating statements of activities for the years ended March 31, 2024 and 2023, 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 18, 2024

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidating Statement of Financial Position

As of March 31, 2024

	CHF	CHFLF	Eliminations	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 4,274,123	\$ 4,991,810	\$ -	\$ 9,265,933
Pledges and accounts receivable	1,236,553	-	(691,364)	545,189
Investments	9,785,873	5,413,594	-	15,199,467
Inventory	2,643,070	-	-	2,643,070
Prepaid expenses	796,780	4,803	-	801,583
	18,736,399	10,410,207	(691,364)	28,455,242
Investments held for long-term purposes	-	4,683,427	-	4,683,427
Endowment investments	-	4,892,027	-	4,892,027
Deposits	41,086	-	-	41,086
Beneficial interest in trusts	61,217	-	-	61,217
Operating leases—right-of-use assets	1,514,505	-	-	1,514,505
Financing lease—right-of-use asset	172,967	-	-	172,967
Land, buildings and equipment-net	18,900,289	-	-	18,900,289
	-	-	-	-
Total Assets	\$ 39,426,463	\$ 19,985,661	\$ (691,364)	\$ 58,720,760
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Accounts payable	\$ 381,366	\$ -	\$ -	\$ 381,366
Accrued expenses	584,942	-	-	584,942
Grants to CHF	-	691,364	(691,364)	-
Deferred income	66,257	-	-	66,257
Operating lease obligations—current	389,349	-	-	389,349
Financing lease obligation—current	35,040	-	-	35,040
Long-term debt—current	109,152	-	-	109,152
	1,566,106	691,364	(691,364)	1,566,106
Operating lease obligations—net of current portion	1,130,185	-	-	1,130,185
Financing lease obligation—net of current portion	137,927	-	-	137,927
Long-term debt—net of current portion and unamortized loan costs	4,054,485	-	-	4,054,485
Total Liabilities	6,888,703	691,364	(691,364)	6,888,703
Net Assets:				
Without donor restrictions:				
Undesignated	28,687,869	734,677	-	29,422,546
Board designated	-	2,057,479	-	2,057,479
	28,687,869	2,792,156	-	31,480,025
With donor restrictions	3,849,891	16,502,141	-	20,352,032
Total Net Assets	32,537,760	19,294,297	-	51,832,057
Total Liabilities and Net Assets	\$ 39,426,463	\$ 19,985,661	\$ (691,364)	\$ 58,720,760

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	9,377,161	4,942,723	-	14,319,884
Inventory	3,030,309	-	-	3,030,309
Prepaid expenses	786,039	4,358	-	790,397
	18,885,548	7,982,905	(723,205)	26,145,248
Investments held for long-term purposes	3,601,215	6,026,415	-	9,627,630
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
	3,601,215	6,026,415	-	9,627,630
	-	3,670,744	-	3,670,744
	41,086	-	-	41,086
	61,217	-	-	61,217
	570,351	-	-	570,351
	13,651,417	-	-	13,651,417
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
Operating lease obligation–current	508,545	-	-	508,545
Long-term debt–current	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
	5,908,346	723,205	(723,205)	5,908,346
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 Activities

For the Year Ended March 31, 2024

	<u>CHF</u>	<u>CHFLF</u>	<u>Eliminations</u>	<u>Total</u>
REVENUE AND SUPPORT:				
Contributions—cash	\$ 17,805,977	\$ 94,402	\$ (4,514,924)	\$ 13,385,455
Donated securities	-	5,392,740	-	5,392,740
Gifts-in-kind	114,076,049	-	-	114,076,049
Special events revenue	1,883,899	-	-	1,883,899
Less: Cost of direct benefits to donors	(495,995)	-	-	(495,995)
Program service revenue, net	237,708	-	-	237,708
Investment income, net	786,318	1,314,169	-	2,100,487
Gain on disposal of assets	689	-	-	689
Total Revenue and Support	<u>134,294,645</u>	<u>6,801,311</u>	<u>(4,514,924)</u>	<u>136,581,032</u>
EXPENSES:				
Program services	128,711,347	4,430,624	(4,514,924)	128,627,047
Supporting activities:				
Management and general	2,856,798	31,849	-	2,888,647
Fundraising	1,091,228	1,400	-	1,092,628
	<u>3,948,026</u>	<u>33,249</u>	<u>-</u>	<u>3,981,275</u>
Total Expenses	<u>132,659,373</u>	<u>4,463,873</u>	<u>(4,514,924)</u>	<u>132,608,322</u>
Change in Net Assets	1,635,272	2,337,438	-	3,972,710
Net Assets, Beginning of Year	<u>30,902,488</u>	<u>16,956,859</u>	<u>-</u>	<u>47,859,347</u>
Net Assets, End of Year	<u>\$ 32,537,760</u>	<u>\$ 19,294,297</u>	<u>\$ -</u>	<u>\$ 51,832,057</u>

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