

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Financial Statements
With Independent Auditors' Report

March 31, 2025 and 2024



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, 2025 and 2024, 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

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 LLC

Ontario, California
June 27, 2025

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Financial Position

	March 31,	
	2025	2024
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 8,041,501	\$ 9,265,933
Pledges receivable	16,143	545,189
Investments	19,079,929	15,199,467
Inventory	2,497,366	2,643,070
Prepaid expenses	802,437	801,583
	<u>30,437,376</u>	<u>28,455,242</u>
Endowment investments	5,797,692	4,892,027
Deposits	41,086	41,086
Beneficial interest in trusts	61,217	61,217
Operating lease—right-of-use assets	1,967,911	1,514,505
Financing lease—right-of-use asset	148,257	172,967
Investments held for long-term purposes	4,233,143	4,683,427
Land, buildings and equipment—net	<u>19,578,520</u>	<u>18,900,289</u>
Total Assets	<u><u>\$ 62,265,202</u></u>	<u><u>\$ 58,720,760</u></u>
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 186,927	\$ 381,366
Accrued expenses	711,609	651,199
Operating lease obligations—current	650,383	389,349
Financing lease obligation—current	35,040	35,040
Long-term debt—current	112,234	109,152
	<u>1,696,193</u>	<u>1,566,106</u>
Operating lease obligations—net of current portion	1,353,473	1,130,185
Financing lease obligation—net of current portion	120,282	137,927
Long-term debt—net of current portion and unamortized loan costs	<u>3,945,769</u>	<u>4,054,485</u>
Total liabilities	<u><u>7,115,717</u></u>	<u><u>6,888,703</u></u>
Net Assets:		
Without donor restrictions:		
Undesignated	31,269,243	29,422,546
Board designated	2,342,931	2,057,479
	<u>33,612,174</u>	<u>31,480,025</u>
With donor restrictions	21,537,311	20,352,032
Total net assets	<u><u>55,149,485</u></u>	<u><u>51,832,057</u></u>
Total Liabilities and Net Assets	<u><u>\$ 62,265,202</u></u>	<u><u>\$ 58,720,760</u></u>

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Activities

	Year Ended March 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND RECLASSIFICATIONS:						
Contributions—cash	\$ 10,680,999	\$ 1,604,172	\$ 12,285,171	\$ 12,357,287	\$ 1,028,168	\$ 13,385,455
Donated securities	1,754,152	5,049,150	6,803,302	-	5,392,740	5,392,740
Gifts-in-kind	163,996,712	-	163,996,712	114,076,049	-	114,076,049
Special events revenue	1,812,222	148,796	1,961,018	1,334,632	549,267	1,883,899
Less: Cost of direct benefits to donors	(504,254)	-	(504,254)	(495,995)	-	(495,995)
Program service revenue, net	184,791	-	184,791	237,708	-	237,708
Investment income, net	542,870	115,298	658,168	1,585,321	515,166	2,100,487
Gain (loss) on disposal of assets	(310)	-	(310)	689	-	689
Net assets released from restriction through satisfaction of purpose and time restrictions	5,732,137	(5,732,137)	-	5,333,877	(5,333,877)	-
Total Revenue, Support, and Reclassifications	<u>184,199,319</u>	<u>1,185,279</u>	<u>185,384,598</u>	<u>134,429,568</u>	<u>2,151,464</u>	<u>136,581,032</u>
EXPENSES:						
Program services	177,950,217	-	177,950,217	128,627,047	-	128,627,047
Supporting activities:						
Management and general	3,139,075	-	3,139,075	2,888,647	-	2,888,647
Fundraising	977,878	-	977,878	1,092,628	-	1,092,628
	<u>4,116,953</u>	<u>-</u>	<u>4,116,953</u>	<u>3,981,275</u>	<u>-</u>	<u>3,981,275</u>
Total Expenses	<u>182,067,170</u>	<u>-</u>	<u>182,067,170</u>	<u>132,608,322</u>	<u>-</u>	<u>132,608,322</u>
Change in Net Assets	2,132,149	1,185,279	3,317,428	1,821,246	2,151,464	3,972,710
Net Assets, Beginning of Year	<u>31,480,025</u>	<u>20,352,032</u>	<u>51,832,057</u>	<u>29,658,779</u>	<u>18,200,568</u>	<u>47,859,347</u>
Net Assets, End of Year	<u>\$ 33,612,174</u>	<u>\$ 21,537,311</u>	<u>\$ 55,149,485</u>	<u>\$ 31,480,025</u>	<u>\$ 20,352,032</u>	<u>\$ 51,832,057</u>

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended March 31, 2025

		Supporting Activities:		
	Program Services	General and Administrative	Fundraising	Total Expenses
Donated goods and services	\$ 164,044,115	\$ 1,353	\$ 487	\$ 164,045,955
Personnel costs	6,312,123	2,355,270	753,684	9,421,077
Grants to ministry partners	3,096,878	-	-	3,096,878
Ministry resources (food, school supplies, and books)	1,217,450	-	-	1,217,450
Depreciation and amortization	721,223	38,363	7,672	767,258
Rent	625,761	33,285	6,657	665,703
Information technology	354,697	127,055	47,646	529,398
Ministry travel	333,062	34,400	29,909	397,371
Outside services	47,067	317,932	6,323	371,322
Freight and shipping charges	317,311	-	-	317,311
Insurance	262,709	30,167	11,116	303,992
Utilities	145,737	52,204	19,578	217,519
Interest	129,907	6,910	1,382	138,199
Bank charges and merchant fees	-	104,541	-	104,541
Supplies	52,320	20,886	3,695	76,901
Vehicle fuel and maintenance	62,381	-	-	62,381
Advertising	-	-	56,201	56,201
Facilities	52,786	2,807	562	56,155
Printing	20,200	5,049	25,250	50,499
Emergency relief	48,000	-	-	48,000
Mercy network training	45,136	-	-	45,136
Postage	21,660	6,316	6,871	34,847
Volunteer expenses	22,861	-	-	22,861
Taxes and licenses	12,591	2,311	800	15,702
Dues and subscriptions	4,242	226	45	4,513
	<u>\$ 177,950,217</u>	<u>\$ 3,139,075</u>	<u>\$ 977,878</u>	<u>\$ 182,067,170</u>

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
Outside services	35,102	289,027	4,715	328,844
Freight and shipping charges	361,262	-	-	361,262
Insurance	236,347	31,021	9,917	277,285
Utilities	133,490	47,817	17,931	199,238
Interest	108,155	5,753	1,151	115,059
Bank charges and merchant fees	-	101,168	-	101,168
Supplies	57,682	17,706	4,544	79,932
Vehicle fuel and maintenance	104,934	-	-	104,934
Advertising	-	-	115,565	115,565
Facilities	75,912	4,038	807	80,757
Printing	27,253	6,814	34,068	68,135
Emergency relief	244,700	-	-	244,700
Mercy network training	30,637	-	-	30,637
Postage	26,623	7,653	9,392	43,668
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
	<u>\$ 128,627,047</u>	<u>\$ 2,888,647</u>	<u>\$ 1,092,628</u>	<u>\$ 132,608,322</u>

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Cash Flows

	Year Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,317,428	\$ 3,972,710
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Contributions restricted for endowments	(716,852)	(617,429)
Donated inventory	(163,996,712)	(114,076,049)
Distributed inventory	164,045,955	114,490,752
Donated investments	(6,803,302)	(5,392,740)
Depreciation and amortization	767,258	821,488
Amortization of loan costs	3,459	3,457
Realized and unrealized gain on investments	(449,355)	(1,496,633)
Realized and unrealized gain on endowment investments	(208,813)	(603,854)
(Gain) loss on disposal of land, buildings and equipment	310	(689)
Non-cash change in operating right-of-use asset and liability	30,916	(17,792)
Net change in:		
Pledges receivable	529,046	(484,568)
Inventory	96,461	(27,464)
Prepaid expenses	(854)	(11,186)
Accounts payable	(194,439)	(64,098)
Accrued expenses	60,410	37,635
Net Cash Used by Operating Activities	<u>(3,519,084)</u>	<u>(3,466,460)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	6,462,939	11,011,941
Purchases of investments	(3,337,312)	(675,377)
Purchases of land, buildings and equipment	<u>(1,421,089)</u>	<u>(6,069,671)</u>
Net Cash Provided by Investing Activities	<u>1,704,538</u>	<u>4,266,893</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long-term debt repayments	(109,093)	(95,966)
Financing lease payments	(17,645)	-
Contributions restricted for endowments	<u>716,852</u>	<u>617,429</u>
Net Cash Provided by Financing Activities	<u>590,114</u>	<u>521,463</u>

(continued)

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidated Statements of Cash Flows (continued)

	Year Ended March 31,	
	2025	2024
Change in Cash and Cash Equivalents	(1,224,432)	1,321,896
Cash and Cash Equivalents, Beginning of Year	9,265,933	7,944,037
Cash and Cash Equivalents, End of Year	<u>\$ 8,041,501</u>	<u>\$ 9,265,933</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 134,741</u>	<u>\$ 111,600</u>
Right-of-use assets obtained in exchange for operating lease obligations	<u>\$ 54,656</u>	<u>\$ 1,452,008</u>
Interest paid for financing leases	<u>\$ 17,395</u>	<u>\$ -</u>
Right-of-use assets obtained in exchange for financing lease obligation	<u>\$ -</u>	<u>\$ 172,967</u>

See notes to the consolidated financial statements

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

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. CHF considers short-term highly liquid investments with an original maturity date of three months or less that are not part of an investment pool to be cash equivalents. CHF invests its excess cash in various types of short-term investments. As of March 31, 2025 and 2024, the Organization's cash balances exceeded federally insured balances (through the National Credit Union Administration and the Federal Deposit Insurance Corporation) by approximately \$5,340,000 and \$3,013,000, respectively.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PLEDGES 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, 2025 and 2024, 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, 2025 and 2024, 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

The Organization leases office space and equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the consolidated statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the consolidated statements of financial position.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

OPERATING AND FINANCING LEASES—RIGHT-OF-USE ASSETS AND OBLIGATIONS, continued

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization has elected to not separate lease and non-lease components. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

LAND, BUILDINGS, AND EQUIPMENT—NET

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, excluding land and construction in progress, 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

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, 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.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

BOARD DESIGNATED NET ASSETS

As of March 31, 2025 and 2024, the board of directors has designated the balance of investments of \$2,342,931 and \$2,057,479, 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.

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. During the years ended March 31, 2025 and 2024, the Organization received donated securities of approximately \$6,803,000 and \$5,393,000, respectively. These donations are reported in donated securities on the consolidated statements of activities for the years ended March 31, 2025 and 2024.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The implicit contributions for years ended March 31, 2025 and 2024 were \$1,457,000 and \$1,389,000, respectively. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Program service revenue is shown net of cost of goods sold and is recognized at a point of time. Total cost of goods sold was approximately \$21,000 and \$19,000 for the years ended March 31, 2025 and 2024, respectively.

Investment income is recognized when earned.

During the years ended March 31, 2025 and 2024, the Organization received 27% and 28%, respectively, of its cash and securities contributions from one donor and 48% and 47%, respectively, of its cash and securities contributions from the top five donors.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

GIFTS-IN-KIND

Contributed nonfinancial assets are recorded at the respective fair values of the goods received. Contributed materials received by the Organization are recorded as gifts-in-kind contribution revenue with a corresponding increase to inventory. The Organization utilized three inventory valuation methods during the years ended March 31, 2025 and 2024. These methods include (1) the current price located on a publicly available website if the inventory item is new and 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. There were no donor restrictions on the gifts-in-kind received.

During the years ended March 31, 2025 and 2024, the Organization received 66% and 63%, respectively, of its gifts-in-kind contributions from two donors and 73% and 81%, respectively, of its gifts-in-kind contributions from the top four donors.

The Organization received the following contributions of nonfinancial assets:

	Year ended March 31,	
	2025	2024
Food, water, and beverages	\$ 86,426,098	\$ 83,648,140
Clothing and household goods	43,976,374	15,855,969
Hygiene	18,527,113	10,804,498
Toys	3,863,229	1,551,506
Other supplies and products	11,203,898	2,215,936
	<u>\$ 163,996,712</u>	<u>\$ 114,076,049</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.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 \$56,000 and \$116,000 for the years ended March 31, 2025 and 2024, respectively. The Organization uses advertising to promote the programs and fundraising events of the Organization and these costs are expensed as incurred.

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,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 8,041,501	\$ 9,265,933
Pledges and accounts receivable	16,143	545,189
Investments	19,079,929	15,199,467
Beneficial interest in trusts	61,217	61,217
Investments held for long-term purposes	4,233,143	4,683,427
Endowment investments	5,797,692	4,892,027
	<u>37,229,625</u>	<u>34,647,260</u>
Less those not available for general expenditure within one year:		
Donor restricted funds	(2,510,224)	(1,164,744)
Beneficial interest in trusts	(61,217)	(61,217)
Investments held for long-term purposes	(4,233,143)	(4,683,427)
Endowment investments	(5,797,692)	(4,892,027)
	<u>(12,602,276)</u>	<u>(10,801,415)</u>
Financial assets available for general expenditure within one year	<u>\$ 24,627,349</u>	<u>\$ 23,845,845</u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

3. FUNDS AVAILABLE AND LIQUIDITY, continued:

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.

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, 2025 and 2024, board designated endowment funds were \$2,342,931 and \$2,057,479, respectively.

4. INVESTMENTS AND ENDOWMENT INVESTMENTS:

Investments and endowment investments consist of the following:

	March 31,	
	2025	2024
Cash and certificates of deposit	\$ 2,260,850	\$ 4,987,452
Equity securities and ETFs	5,487,257	4,132,932
Corporate bonds	2,612,730	1,135,003
Government fixed income	18,366,385	13,161,861
Mutual funds	383,542	1,357,673
	<u>\$ 29,110,764</u>	<u>\$ 24,774,921</u>

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

	March 31,	
	2025	2024
Investments	\$ 19,079,929	\$ 15,199,467
Investments held for long-term purposes	4,233,143	4,683,427
Endowment investments	5,797,692	4,892,027
	<u>\$ 29,110,764</u>	<u>\$ 24,774,921</u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

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, 2025 are as follows:

	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)	Total
Equity securities and ETFs	\$ 5,487,257	\$ -	\$ -	\$ 5,487,257
Corporate bonds	-	2,612,730	-	2,612,730
Government fixed income	18,366,385	-	-	18,366,385
Mutual funds	383,542	-	-	383,542
Investments at fair value	<u>\$ 24,237,184</u>	<u>\$ 2,612,730</u>	<u>\$ -</u>	26,849,914
Held at cost:				
Cash and certificates of deposit				<u>2,260,850</u>
Total investments				<u>\$ 29,110,764</u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

5. FAIR VALUE MEASUREMENTS, continued:

Fair values of assets measured on a recurring basis at March 31, 2024 are as follows:

	Fair Value Measurements Using:			Total
	Level 1	Level 2	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
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
Held at cost:				
Cash and certificates of deposit				<u>4,987,452</u>
Total investments				<u>\$ 24,774,921</u>

The carrying amounts of cash and money markets approximate fair value because of the terms and relative short maturity of these financial instruments. The fair value for government fixed income, mutual funds, equity securities and exchange traded funds are determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value for corporate bonds was determined by reference to quoted market prices for infrequently traded securities. There was no change in valuation techniques during years ended March 31, 2025 and 2024, respectively.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

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

CHF leases facilities and equipment under operating lease agreements with average monthly payments of approximately \$50,000, maturing at various dates through June 2030. 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.

	March 31,	
	2025	2024
Operating lease right-of-use assets	\$ 1,967,911	\$ 1,514,505
Operating lease liabilities	\$ 2,003,856	\$ 1,519,534
Cash paid for leases	\$ 572,097	\$ 518,048
Operating lease costs	\$ 602,247	\$ 511,838
Weighted-average discount rate	4.11%	3.96%
Weighted-average remaining lease term	4.1 years	4.7 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>	
2026	\$ 650,383
2027	476,659
2028	350,858
2029	364,173
2030	345,014
Thereafter	2,896
	<u>2,189,983</u>
Less: imputed interest	<u>(186,127)</u>
	<u><u>\$ 2,003,856</u></u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

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%.

	March 31,	
	2025	2024
Financing lease right-of-use asset	\$ 148,257	\$ 172,967
Financing lease liability	\$ 155,322	\$ 172,967
Financing lease costs:		
Amortization of right-of-use assets	\$ 24,710	\$ -
Interest on lease liabilities	\$ 17,395	\$ -
Weighted-average discount rate	10.54%	10.54%
Weighted-average remaining lease term	7 years	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	35,040
	<u>210,240</u>
Less: imputed interest	<u>(54,918)</u>
	<u>\$ 155,322</u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

8. LAND, BUILDINGS AND EQUIPMENT–NET:

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

	March 31,	
	2025	2024
Land	\$ 9,782,102	\$ 4,500,000
Buildings and improvements	10,240,755	9,872,161
Furniture and equipment	4,731,819	4,268,582
Vehicles	547,560	547,560
	<u>25,302,236</u>	<u>19,188,303</u>
Less accumulated depreciation and amortization	<u>(6,396,094)</u>	<u>(5,827,063)</u>
	18,906,142	13,361,240
Construction in progress	<u>672,378</u>	<u>5,539,049</u>
Land, building, and equipment–net	<u>\$ 19,578,520</u>	<u>\$ 18,900,289</u>

Depreciation and amortization for buildings and improvement, furniture and equipment, and vehicles was approximately \$743,000 and \$821,000 for March 31, 2025 and 2024, respectively.

9. LONG-TERM DEBT:

Long-term debt consists of:

	March 31,	
	2025	2024
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.	\$ 4,146,761	\$ 4,255,854
Less: prepaid loan costs	<u>(88,758)</u>	<u>(92,217)</u>
	4,058,003	4,163,637
Less: current portion	<u>(112,234)</u>	<u>(109,152)</u>
	<u>\$ 3,945,769</u>	<u>\$ 4,054,485</u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

9. LONG-TERM DEBT, continued:

At March 31, 2025, annual maturities, are as follows:

<u>Year Ending March 31,</u>	
2026	\$ 112,234
2027	115,404
2028	118,372
2029	122,006
2030	125,452
Thereafter	<u>3,553,293</u>
	<u><u>\$ 4,146,761</u></u>

The Organization was in compliance with all financial and reporting covenants as of March 31, 2025 and 2024.

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% (7.25% at March 31, 2025), 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, 2025 or 2024.

10. NET ASSETS:

Net assets without donor restrictions consists of:

	<u>March 31,</u>	
	<u>2025</u>	<u>2024</u>
Undesignated net assets	\$ 31,269,243	\$ 29,422,546
Board designated-Quasi-endowment	<u>2,342,931</u>	<u>2,057,479</u>
	<u><u>\$ 33,612,174</u></u>	<u><u>\$ 31,480,025</u></u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

10. NET ASSETS, continued:

Net assets with donor restrictions consists of:

	March 31,	
	2025	2024
Legacy Initiative	\$ 10,399,538	\$ 8,984,166
Endowment	3,454,761	2,834,548
Emergency relief	457,129	254,917
Catalog programs	213,935	320,334
Poverty Encounter	195,622	288,992
International Mercy Networks	100,000	457,951
Beneficial interest in trust	61,217	61,217
Growth initiative	-	103,896
Capital programs—building and equipment	6,655,109	7,046,011
	<u>\$ 21,537,311</u>	<u>\$ 20,352,032</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, 2025 and 2024

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, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 2,342,931	\$ 3,454,761	\$ 5,797,692

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

Changes in endowment net assets for the year ended March 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, March 31, 2024	\$ 2,057,479	\$ 2,834,548	\$ 4,892,027
Investment return:			
Interest and dividend income reinvested	75,053	102,465	177,518
Realized and unrealized gain, net	18,462	12,833	31,295
Total investment return	93,515	115,298	208,813
Additions to endowment	211,937	504,915	716,852
Appropriation of endowment assets for expenditure	(20,000)	-	(20,000)
Endowment net assets, March 31, 2025	\$ 2,342,931	\$ 3,454,761	\$ 5,797,692

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

11. ENDOWMENT FUNDS, continued:

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 gains, 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	<u>\$ 2,057,479</u>	<u>\$ 2,834,548</u>	<u>\$ 4,892,027</u>

INVESTMENT RETURN OBJECTIVES, RISK PARAMETERS AND STRATEGIES

The Organization has adopted investment and spending policies, approved by the board of directors, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

SPENDING POLICY

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, 2025 and 2024.

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Notes to Consolidated Financial Statements

Years Ended March 31, 2025 and 2024

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, 2025 and 2024, the Organization contributed approximately \$248,000 and \$200,000, respectively, to this plan.

13. COMMITMENTS:

The Organization is in the process of constructing a new facility in Prosper, Texas, which will include a volunteer center, Poverty Encounter exhibit, office space, and processing and storage areas. Pre-construction activities commenced during the year ended March 31, 2024.

The total estimated cost of the project, including land acquisition, design, sitework, construction, and other soft costs, is approximately \$40,000,000. The Organization intends to fund the project through capital contributions and board designated funds.

In March 2025, the Organization entered into a guaranteed maximum price (GMP) construction contract for Phase 1 of the project. The total contractual commitment under this agreement is \$7,106,000, none of which had been incurred as of March 31, 2025. This commitment is not recorded in the accompanying financial statements but represents a legally binding obligation under the executed contract.

14. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 27, 2025, 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, 2025 and 2024, and our report thereon dated June 27, 2025, 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, 2025 and 2024, and the consolidating statements of activities for the years ended March 31, 2025 and 2024, 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.



Ontario, California
June 27, 2025

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidating Statement of Financial Position

As of March 31, 2025

	CHF	CHFLF	Eliminations	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 5,848,153	\$ 2,193,348	\$ -	\$ 8,041,501
Pledges receivable	16,143	12,881	(12,881)	16,143
Investments	10,214,974	8,864,955	-	19,079,929
Inventory	2,497,366	-	-	2,497,366
Prepaid expenses	796,554	5,883	-	802,437
	<u>19,373,190</u>	<u>11,077,067</u>	<u>(12,881)</u>	<u>30,437,376</u>
Endowment investments	-	5,797,692	-	5,797,692
Deposits	41,086	-	-	41,086
Beneficial interest in trusts	61,217	-	-	61,217
Operating leases—right-of-use assets	1,967,911	-	-	1,967,911
Financing lease—right-of-use asset	148,257	-	-	148,257
Investments held for long-term purposes	-	4,233,143	-	4,233,143
Land, buildings and equipment-net	<u>19,578,520</u>	<u>-</u>	<u>-</u>	<u>19,578,520</u>
Total Assets	<u>\$ 41,170,181</u>	<u>\$ 21,107,902</u>	<u>\$ (12,881)</u>	<u>\$ 62,265,202</u>
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Accounts payable	\$ 199,808	\$ -	\$ (12,881)	\$ 186,927
Accrued expenses	711,609	-	-	711,609
Operating lease obligations—current	650,383	-	-	650,383
Financing lease obligation—current	35,040	-	-	35,040
Long-term debt—current	112,234	-	-	112,234
	<u>1,709,074</u>	<u>-</u>	<u>(12,881)</u>	<u>1,696,193</u>
Operating lease obligations—net of current portion	1,353,473	-	-	1,353,473
Financing lease obligation—net of current portion	120,282	-	-	120,282
Long-term debt—net of current portion and unamortized loan costs	<u>3,945,769</u>	<u>-</u>	<u>-</u>	<u>3,945,769</u>
Total Liabilities	<u>7,128,598</u>	<u>-</u>	<u>(12,881)</u>	<u>7,115,717</u>
Net Assets:				
Without donor restrictions:				
Undesignated	30,591,714	677,529	-	31,269,243
Board designated	-	2,342,931	-	2,342,931
	<u>30,591,714</u>	<u>3,020,460</u>	<u>-</u>	<u>33,612,174</u>
With donor restrictions	3,449,869	18,087,442	-	21,537,311
Total Net Assets	<u>34,041,583</u>	<u>21,107,902</u>	<u>-</u>	<u>55,149,485</u>
Total Liabilities and Net Assets	<u>\$ 41,170,181</u>	<u>\$ 21,107,902</u>	<u>\$ (12,881)</u>	<u>\$ 62,265,202</u>

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 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
	<u>18,736,399</u>	<u>10,410,207</u>	<u>(691,364)</u>	<u>28,455,242</u>
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
Investments held for long-term purposes	-	4,683,427	-	4,683,427
Land, buildings and equipment-net	<u>18,900,289</u>	<u>-</u>	<u>-</u>	<u>18,900,289</u>
Total Assets	<u><u>\$ 39,426,463</u></u>	<u><u>\$ 19,985,661</u></u>	<u><u>\$ (691,364)</u></u>	<u><u>\$ 58,720,760</u></u>
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Accounts payable	\$ 381,366	\$ -	\$ -	\$ 381,366
Accrued expenses	651,199	-	-	651,199
Grants to CHF	-	691,364	(691,364)	-
Operating lease obligations–current	389,349	-	-	389,349
Financing lease obligation–current	35,040	-	-	35,040
Long-term debt–current	<u>109,152</u>	<u>-</u>	<u>-</u>	<u>109,152</u>
	<u>1,566,106</u>	<u>691,364</u>	<u>(691,364)</u>	<u>1,566,106</u>
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	<u>4,054,485</u>	<u>-</u>	<u>-</u>	<u>4,054,485</u>
Total Liabilities	<u><u>6,888,703</u></u>	<u><u>691,364</u></u>	<u><u>(691,364)</u></u>	<u><u>6,888,703</u></u>
Net Assets:				
Without donor restrictions:				
Undesignated	28,687,869	734,677	-	29,422,546
Board designated	<u>-</u>	<u>2,057,479</u>	<u>-</u>	<u>2,057,479</u>
	<u>28,687,869</u>	<u>2,792,156</u>	<u>-</u>	<u>31,480,025</u>
With donor restrictions	<u>3,849,891</u>	<u>16,502,141</u>	<u>-</u>	<u>20,352,032</u>
Total Net Assets	<u><u>32,537,760</u></u>	<u><u>19,294,297</u></u>	<u><u>-</u></u>	<u><u>51,832,057</u></u>
Total Liabilities and Net Assets	<u><u>\$ 39,426,463</u></u>	<u><u>\$ 19,985,661</u></u>	<u><u>\$ (691,364)</u></u>	<u><u>\$ 58,720,760</u></u>

CHILDREN'S HUNGER FUND AND SUBSIDIARY

Consolidating Statement of Activities

For the Year Ended March 31, 2025

	<u>CHF</u>	<u>CHFLF</u>	<u>Eliminations</u>	<u>Total</u>
REVENUE AND SUPPORT:				
Contributions—cash	\$ 15,824,611	\$ 226,397	\$ (3,765,837)	\$ 12,285,171
Donated securities	1,754,152	5,049,150	-	6,803,302
Gifts-in-kind	163,996,712	-	-	163,996,712
Special events revenue	1,961,018	-	-	1,961,018
Less: Cost of direct benefits to donors	(504,254)	-	-	(504,254)
Program service revenue, net	184,791	-	-	184,791
Investment income, net	527,803	130,365	-	658,168
Loss on disposal of assets	(310)	-	-	(310)
Total Revenue and Support	<u>183,744,523</u>	<u>5,405,912</u>	<u>(3,765,837)</u>	<u>185,384,598</u>
EXPENSES:				
Program services	178,157,954	3,558,100	(3,765,837)	177,950,217
Supporting activities:				
Management and general	3,106,268	32,807	-	3,139,075
Fundraising	976,478	1,400	-	977,878
	<u>4,082,746</u>	<u>34,207</u>	<u>-</u>	<u>4,116,953</u>
Total Expenses	<u>182,240,700</u>	<u>3,592,307</u>	<u>(3,765,837)</u>	<u>182,067,170</u>
Change in Net Assets	1,503,823	1,813,605	-	3,317,428
Net Assets, Beginning of Year	<u>32,537,760</u>	<u>19,294,297</u>	<u>-</u>	<u>51,832,057</u>
Net Assets, End of Year	<u>\$ 34,041,583</u>	<u>\$ 21,107,902</u>	<u>\$ -</u>	<u>\$ 55,149,485</u>

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>