

**WHYHUNGER, INC.**

**FINANCIAL STATEMENTS**  
**December 31, 2025 and 2024**



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
WhyHunger, Inc.

### **Opinion**

We have audited the accompanying financial statements of WhyHunger, Inc. (a “non-profit organization”), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WhyHunger, Inc. as of December 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WhyHunger, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WhyHunger

To the Board of Directors  
WhyHunger, Inc.  
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Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WhyHunger Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WhyHunger Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Sheehan & Company, C.P.A., P.C.*

Brightwaters, New York  
June 22, 2026

## **FINANCIAL STATEMENTS**

# WHYHUNGER, INC.

## STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,707,478	\$ 3,800,797
Investments at fair value	1,247,935	1,122,572
Contributions and accounts receivable, current	716,690	655,701
Prepaid and other assets	102,003	118,157
Total current assets	4,774,106	5,697,227
<b>Long-term assets:</b>		
Fixed assets, net	52,418	77,955
Contributions and accounts receivable, long-term	40,000	-
Operating lease right-of-use assets	621,877	702,411
Total long-term assets	714,295	780,366
Total assets	\$ 5,488,401	\$ 6,477,593
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and other liabilities	\$ 289,539	\$ 615,047
Grants payable	204,902	279,902
Right-of-use operating lease liability, current portion	81,975	75,078
Total current liabilities	576,416	970,027
<b>Long-term liabilities:</b>		
Right-of-use operating lease liability, long-term portion	572,754	654,729
Total long-term liabilities	572,754	654,729
Total liabilities	1,149,170	1,624,756
<b>Net assets:</b>		
<b>Without donor restriction:</b>		
Undesignated	1,618,896	2,197,605
Designated by the Board for operating reserve fund	570,150	570,150
Designated by the Board for rapid response fund	84,592	93,233
Designated by the Board for endowment	1,020,525	914,537
Total without donor restriction	3,294,163	3,775,525
<b>With donor restriction:</b>		
Purpose restricted	945,068	977,312
Perpetual in nature	100,000	100,000
Total with donor restriction	1,045,068	1,077,312
Total net assets	4,339,231	4,852,837
Total liabilities and net assets	\$ 5,488,401	\$ 6,477,593

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

# WHYHUNGER, INC.

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2025

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Revenue and support:</b>			
Individual contributions	\$ 661,909	\$ 103	\$ 662,012
Foundation grants and corporate donations	3,169,960	478,898	3,648,858
Artists Against Hunger and Poverty/Hungerthon	1,019,107	-	1,019,107
Contributed nonfinancial assets	177,762	-	177,762
Special events, gross	996,974	-	996,974
Realized and unrealized gains on investments	98,846	19,603	118,449
Interest and other income, net investment fees	94,317	1,220	95,537
Miscellaneous	3,661	300,135	303,796
Net assets released from restrictions	832,203	(832,203)	-
Total revenue and support	7,054,739	(32,244)	7,022,495
<b>Expenses:</b>			
<b>Program services:</b>			
Grassroots Action Network	1,224,096	-	1,224,096
Artists Against Hunger and Poverty/Hungerthon	1,054,770	-	1,054,770
Nourish	916,197	-	916,197
Global Movements	1,679,905	-	1,679,905
General Media for Program Services	889,759	-	889,759
Total program services	5,764,727	-	5,764,727
<b>Support services:</b>			
Fundraising	1,118,829	-	1,118,829
Costs of direct benefit to donors	331,583	-	331,583
Management and general	320,962	-	320,962
Total support services	1,771,374	-	1,771,374
Total expenses	7,536,101	-	7,536,101
Change in net assets	(481,362)	(32,244)	(513,606)
Net assets, beginning of year	3,775,525	1,077,312	4,852,837
Net assets, end of year	\$ 3,294,163	\$ 1,045,068	\$ 4,339,231

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

# WHYHUNGER, INC.

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2024

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Revenue and support:</b>			
Individual contributions	\$ 526,437	\$ 1,016	\$ 527,453
Foundation grants and corporate donations	3,433,173	372,990	3,806,163
Government grants	85,189	-	85,189
Artists Against Hunger and Poverty/Hungerthon	638,789	-	638,789
Contributed nonfinancial assets	121,755	-	121,755
Royalty and auction	21,670	-	21,670
Special events, gross	852,973	-	852,973
Realized and unrealized gains on investments	93,670	34,052	127,722
Interest and other income, net investment fees	128,903	1,118	130,021
Miscellaneous	82,754	152,364	235,118
Net assets released from restrictions	277,710	(277,710)	-
Total revenue and support	6,263,023	283,830	6,546,853
<b>Expenses:</b>			
<b>Program services:</b>			
Grassroots Action Network	1,402,251	-	1,402,251
Artists Against Hunger and Poverty/Hungerthon	597,542	-	597,542
Nourish	928,231	-	928,231
Global Movements	1,099,260	-	1,099,260
General Media for Program Services	989,499	-	989,499
Total program services	5,016,783	-	5,016,783
<b>Support services:</b>			
Fundraising	693,245	-	693,245
Costs of direct benefit to donors	500,489	-	500,489
Management and general	293,541	-	293,541
Total support services	1,487,275	-	1,487,275
Total expenses	6,504,058	-	6,504,058
Change in net assets	(241,035)	283,830	42,795
Net assets, beginning of year	4,016,560	793,482	4,810,042
Net assets, end of year	\$ 3,775,525	\$ 1,077,312	\$ 4,852,837

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

## WHYHUNGER, INC.

### STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2025

	Program Services					Support Services					
	Grassroots Action Network	Artists Against Hunger and Poverty/ Hungerthon	Nourish	Global Movements	General Media for Program Services	Total Program Services	Fundraising	Costs of Direct Benefit to Donors	Management and General	Total Support Services	Total
<b>Salaries and related expenses:</b>											
Salaries	\$ 183,637	\$ 456,684	\$ 476,433	\$ 429,819	\$ 363,166	\$ 1,909,739	\$ 436,001	\$ -	\$ 237,582	\$ 673,583	\$ 2,583,322
Payroll taxes and employee benefits	66,347	135,133	162,322	107,512	108,413	579,727	133,314	-	52,949	186,263	765,990
Total salaries and related expenses	<u>249,984</u>	<u>591,817</u>	<u>638,755</u>	<u>537,331</u>	<u>471,579</u>	<u>2,489,466</u>	<u>569,315</u>	<u>-</u>	<u>290,531</u>	<u>859,846</u>	<u>3,349,312</u>
<b>Other expenses:</b>											
Professional and contract	352,627	137,349	52,844	101,684	302,075	946,579	264,470	-	10,671	275,141	1,221,720
Postage and shipping	151	9,159	143	125	127	9,705	1,533	-	43	1,576	11,281
Supplies and other office expenses	8,550	9,820	16,572	8,539	22,608	66,089	106,058	-	2,731	108,789	174,878
Telephone and internet	988	1,798	4,675	3,569	2,544	13,574	3,469	-	684	4,153	17,727
Occupancy	9,992	21,446	24,858	21,689	19,008	96,993	27,051	-	7,555	34,606	131,599
Staff travel	48,818	30,949	13,596	45,530	22,276	161,169	19,429	-	881	20,310	181,479
Printing and publications	72	266	20	-	-	358	5,133	-	-	5,133	5,491
Equipment, rentals, and maintenance	373	441	412	360	316	1,902	449	-	125	574	2,476
Dues, fees, and subscriptions	549	1,558	5,245	5,244	850	13,446	1,359	-	85	1,444	14,890
Conference and meetings	27,123	1,884	17,812	6,570	16,417	69,806	11,465	-	200	11,665	81,471
Grants, awards, and donations	387,887	-	50	925,293	8,473	1,321,703	-	-	-	-	1,321,703
Bank charges and interest	1,468	8,889	3,139	3,861	2,376	19,733	7,662	-	943	8,605	28,338
Taxes, fines, and penalties	313	673	780	680	596	3,042	848	-	237	1,085	4,127
Insurance	2,344	5,011	5,834	5,053	4,439	22,681	6,307	-	1,773	8,080	30,761
Advertising	-	4,358	113,347	-	1,716	119,421	-	-	-	-	119,421
Repairs and maintenance	384	824	955	833	731	3,727	1,040	-	290	1,330	5,057
Program supplies	125,611	55,833	187	922	-	182,553	-	-	-	-	182,553
Meals, entertainment, and event venue expenses	1,356	163,064	1,193	1,393	1,444	168,450	77,225	331,583	306	409,114	577,564
Miscellaneous	2,814	3,854	9,084	5,386	7,065	28,203	8,729	-	1,872	10,601	38,804
Total expenses before depreciation and amortization	1,221,404	1,048,993	909,501	1,674,062	884,640	5,738,600	1,111,542	331,583	318,927	1,762,052	7,500,652
Depreciation and amortization	2,692	5,777	6,696	5,843	5,119	26,127	7,287	-	2,035	9,322	35,449
Total expenses	<u>\$ 1,224,096</u>	<u>\$ 1,054,770</u>	<u>\$ 916,197</u>	<u>\$ 1,679,905</u>	<u>\$ 889,759</u>	<u>\$ 5,764,727</u>	<u>\$ 1,118,829</u>	<u>\$ 331,583</u>	<u>\$ 320,962</u>	<u>\$ 1,771,374</u>	<u>\$ 7,536,101</u>

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

## WHYHUNGER, INC.

### STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2024

	Program Services					Support Services					
	Grassroots Action Network	Artists Against Hunger and Poverty/ Hungerthon	Nourish	Global Movements	General Media for Program Services	Total Program Services	Fundraising	Costs of Direct Benefit to Donors	Management and General	Total Supporting Services	Total
<b>Salaries and related expenses:</b>											
Salaries	\$ 203,608	\$ 323,257	\$ 395,438	\$ 303,917	\$ 357,250	\$ 1,583,470	\$ 289,565	\$ -	\$ 216,190	\$ 505,755	\$ 2,089,225
Payroll taxes and employee benefits	55,058	90,816	126,676	93,445	112,303	478,298	75,362	-	50,772	126,134	604,432
Total salaries and related expenses	<u>258,666</u>	<u>414,073</u>	<u>522,114</u>	<u>397,362</u>	<u>469,553</u>	<u>2,061,768</u>	<u>364,927</u>	<u>-</u>	<u>266,962</u>	<u>631,889</u>	<u>2,693,657</u>
<b>Other expenses:</b>											
Professional and contract	395,318	75,819	138,238	53,835	443,830	1,107,040	157,952	-	7,637	165,589	1,272,629
Postage and shipping	994	2,057	571	482	562	4,666	695	-	174	869	5,535
Supplies and other office expenses	11,271	7,049	17,196	7,424	18,414	61,354	15,939	-	2,476	18,415	79,769
Telephone and internet	824	1,860	5,611	3,704	3,167	15,166	3,754	-	706	4,460	19,626
Occupancy	9,358	16,575	25,665	22,189	19,783	93,570	26,734	-	8,020	34,754	128,324
Staff travel	72,175	10,481	23,752	16,021	12,480	134,909	4,358	-	612	4,970	139,879
Printing and publications	463	-	59	-	-	522	427	-	-	427	949
Equipment, rentals, and maintenance	6,091	739	1,144	989	881	9,844	1,191	-	357	1,548	11,392
Dues, fees, and subscriptions	21	462	1,323	9,049	2,717	13,572	699	-	18	717	14,289
Conference and meetings	17,894	1,223	25,625	4,559	1,973	51,274	4,222	-	592	4,814	56,088
Grants, awards, and donations	455,700	99	25,504	566,992	118	1,048,413	-	-	-	-	1,048,413
Bank charges and interest	1,561	5,952	2,053	1,858	1,600	13,024	6,141	-	642	6,783	19,807
Taxes, fines, and penalties	876	2,736	2,156	1,864	1,662	9,294	2,246	-	674	2,920	12,214
Insurance	2,023	3,360	5,483	4,638	4,103	19,607	5,300	-	1,734	7,034	26,641
Advertising	33	1,817	121,922	-	-	123,772	2,200	-	-	2,200	125,972
Repairs and maintenance	383	678	1,050	908	809	3,828	1,094	-	328	1,422	5,250
Program supplies	159,137	42,142	53	-	336	201,668	3,263	-	-	3,263	204,931
Meals, entertainment, and event venue expenses	2,678	1,101	648	598	1,140	6,165	83,089	500,489	156	583,734	589,899
Miscellaneous	4,795	5,795	2,607	2,070	2,165	17,432	3,329	-	748	4,077	21,509
Total expenses before depreciation and amortization	<u>1,400,261</u>	<u>594,018</u>	<u>922,774</u>	<u>1,094,542</u>	<u>985,293</u>	<u>4,996,888</u>	<u>687,560</u>	<u>500,489</u>	<u>291,836</u>	<u>1,479,885</u>	<u>6,476,773</u>
Depreciation and amortization	1,990	3,524	5,457	4,718	4,206	19,895	5,685	-	1,705	7,390	27,285
Total expenses	<u>\$ 1,402,251</u>	<u>\$ 597,542</u>	<u>\$ 928,231</u>	<u>\$ 1,099,260</u>	<u>\$ 989,499</u>	<u>\$ 5,016,783</u>	<u>\$ 693,245</u>	<u>\$ 500,489</u>	<u>\$ 293,541</u>	<u>\$ 1,487,275</u>	<u>\$ 6,504,058</u>

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

# WHYHUNGER, INC.

## STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2025 and 2024

	2025	2024
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (513,606)	\$ 42,795
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	35,449	27,285
Realized gain on sale of investments	(60,169)	(48,356)
Unrealized gain on investments	(58,280)	(79,366)
Donated stocks	(72,977)	(69,822)
Non-cash lease expense, net of accretion	5,456	8,177
Decrease (increase) in assets:		
Contributions and accounts receivable	(100,989)	(297,122)
Prepaid and other assets	16,154	(35,316)
Decrease in liabilities:		
Accounts payable and other liabilities	(325,508)	(390,413)
Grants payable	(75,000)	(353,000)
Net cash from operating activities	(1,149,470)	(1,195,138)
<b>Cash flows from investing activities:</b>		
Proceeds from sales of investments	425,665	363,863
Purchases of investments	(359,602)	(297,206)
Purchases of fixed assets	(9,912)	(57,638)
Net cash from investing activities	56,151	9,019
Net change in cash and cash equivalents	(1,093,319)	(1,186,119)
Cash and cash equivalents, beginning of year	3,800,797	4,986,916
Cash and cash equivalents, end of year	\$ 2,707,478	\$ 3,800,797
<b>Supplemental disclosure of cash flow information:</b>		
<b>Cash paid for interest</b>	\$ -	\$ -
<b>Cash paid for amounts included in measurement of lease liability:</b>		
Operating cash flows from operating leases	\$ 117,075	\$ 108,898

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

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of the Organization

WhyHunger, Inc. (“WhyHunger” or the “Organization”) was founded in 1975 by singer/songwriter Harry Chapin and the former Executive Director, Bill Ayres, as World Hunger Year, Inc. On April 24, 2015, WhyHunger amended its certificate of incorporation to change its name from World Hunger Year, Inc. to WhyHunger, Inc.

WhyHunger believes a world without hunger is possible. WhyHunger provides critical resources to support grassroots movements and fuel community solutions rooted in social, environmental, racial, and economic justice. WhyHunger is working to end hunger and advance the human right to nutritious food in the United States of America and around the world. WhyHunger's programs include Grassroots Action Network, Artists Against Hunger and Poverty/Hungerthon, Nourish, Global Movements, and General Media for Program Services.

### 2. Summary of Significant Accounting Policies

**Basis of presentation:** The financial statements of WhyHunger have been prepared on the accrual basis of accounting.

**Financial statement presentation:** The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the Statements of Financial Position and that the amounts of change in each of those classes of net assets be displayed in the Statements of Activities.

In accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), WhyHunger reports information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction.

*Net assets without donor restriction* - net assets available for general use to support operations. The only limits on the use of net assets without donor restriction are broad limits resulting from the nature of WhyHunger, the environment in which it operates, and the purposes specified in its corporate documents.

WhyHunger's Board of Directors (the “Board”) has designated a portion of net assets without donor restriction as a Board-designated endowment fund for the purpose of securing WhyHunger's long-term financial viability. During 2020, the Board also established a Board-designated operating reserve fund, and in 2021 established a Board-designated rapid response fund. Refer to Note 11 for more information.

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### **Financial statement presentation (continued):**

*Net assets with donor restriction* - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

**Cash and cash equivalents:** WhyHunger considers all cash and highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Investments at fair value:** Investments consist of common stock and mutual funds, which are adjusted to their fair market value at the Statement of Financial Position date, resulting in either an unrealized gain or loss.

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

**Fair value measurements and disclosures:** Accounting Standards Codification (“ASC”) 820, *Fair Value Measurement*, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements.

ASC 820 defines fair value as the price to sell an asset or transfer a liability (i.e., the exit price) in an orderly transaction between market participants. Additionally, ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset developed based on market data obtained from sources independent of WhyHunger. Unobservable inputs are inputs that reflect WhyHunger's assumptions about the assumptions market participants would use in pricing the asset based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 - Observable inputs are unadjusted, quoted prices for identical assets or liabilities in active market at the measurement date. Level 1 securities include highly liquid U.S. Treasury securities, certain commons stocks, and mutual funds.

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### **Fair value measurements and disclosures (continued):**

Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date. Most debt securities, preferred stocks, certain equity securities, short-term investments, and derivatives are model priced using observable inputs and are classified as Level 2.

Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Examples of Level 3 assets include investments in limited partnerships.

There are no financial assets or liabilities classified as Level 2 or 3 other than the intangible assets described in Note 8 that are designated as Level 3 assets under the fair value hierarchy described above.

**Endowment:** The New York Prudent Management of Institutional Funds Act (“NYPMIFA”) applies to the WhyHunger endowment fund. NYPMIFA provides guidance and authority to charitable organizations concerning the management and investment of endowment funds held. WhyHunger classifies as net assets with donor restrictions (to be held in perpetuity) the original value of the gifts donated to the donor-restricted endowment and the original value of any subsequent gifts to the donor-restricted endowment. Investment income from the donor-restricted endowment is classified as net assets with donor restrictions (a purpose restriction) until those amounts are appropriated for expenditure by WhyHunger in a matter consistent with the donor-stipulated purposes within the standard of prudence established by NYPMIFA.

**Underwater endowment:** WhyHunger considers its endowment to be underwater if the fair value is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the endowment, and (2) any accumulations to the endowment required to be held in perpetuity per donor direction. WhyHunger has no underwater endowment funds at December 31, 2025 and 2024.

**Contributions and promises to give:** Contributions received, including unconditional promises to give, if any, are reported at their net realizable values. Gifts of cash and other assets are reported as with donor restriction if they are received with donor stipulations that limit their use or if they are intended to support activities in future periods.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the same reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### **Contributions and promises to give (continued):**

restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional promises to give are those in which a measurable barrier and right of return or release exists. When the measurable barrier is overcome, the promise becomes unconditional, and the contribution is recognized.

WhyHunger records special events revenue equal to the fair value of direct benefits to donors and contribution income for the excess received when the special event takes place.

**Receivables and allowance for credit losses:** Receivables are closely monitored by WhyHunger's management to determine their collectability. The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected. For the years ended December 31, 2025 and 2024, there was no allowance for credit losses.

The Organization has early adopted, effective on December 31, 2025, Accounting Standards Update 2025-05 ("ASU 2025-05") *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* and has applied it prospectively. ASU 2025-05 provides a practical expedient for estimating credit losses on short-term receivables, defined as receivables less than one year old. Under this expedient, the Organization assumes that current conditions as of the statement of financial position date, including economic factors such as current industry-specific delinquency rates, will remain consistent over the remaining life of the receivables.

The Organization has also elected to consider collection activity after the statement of financial position date, but before the financial statements are available to be issued.

**Contributions of stock:** The Organization historically receives in-kind stock contributions from donors, and it is the Organization's practice to immediately liquidate the contributed stock. Proceeds from the sale of in-kind stock, and any related gain or loss, from donors who have designated a specific purpose are reflected as with donor restriction, whereas proceeds and related realized gain or loss from in-kind stock contributions without any such restrictions are reflected as without donor restriction.

Proceeds from the sale of these assets are utilized to carry out the mission of the Organization. During the years ended December 31, 2025 and 2024, WhyHunger did not receive any in-kind stock donations where the fair market value was not measurable.

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 2. Summary of Significant Accounting Policies (continued)

**Contributions of nonfinancial assets:** The Organization recognized the following contributions of nonfinancial assets for the years ended December 31, 2025 and 2024, respectively:

	<u>2025</u>	<u>2024</u>
Donated advertising	\$ 112,762	\$ 121,755
Donated event costs	65,000	-
Total contributed nonfinancial assets	<u>\$ 177,762</u>	<u>\$ 121,755</u>

*Donated advertising:* The Organization recognizes contributed nonfinancial assets revenue and a corresponding expense in an amount approximating estimated fair value of the donated advertising at the time of donation. During the years ended December 31, 2025 and 2024, the Organization received donated web-based advertising valued at \$112,762 and \$121,755, respectively.

*Donated services:* Donated services are recognized in the financial statements if the following criteria are met:

- The service requires specialized skills, are performed by individuals possessing those skills, and would typically need to be purchased if not contributed, or
- The service creates or enhances a nonfinancial asset.

There were no donated services recognized during the years ended December 31, 2025 or 2024.

The Organization also receives donated memorabilia that are held for auction purposes, and volunteers also provided various services throughout the year to WhyHunger that are not recognized as contributions in the financial statements since the recognition criteria were not met or fair value was not readily determinable.

*Donated event costs:* The Organization received donated event costs related to its Hungerthon Hustle event in which certain associated costs were waived by the venue. The Organization recognized donated event cost revenue and a corresponding expense in the accompanying financial statements at their estimated fair value at the time of donation. During the year ended December 31, 2025 donated event costs received totaled \$65,000.

**Advertising:** Advertising is charged to expense as incurred. During the years ended December 31, 2025 and 2024, advertising costs totaled \$119,421 and \$125,972, respectively, of which \$112,762 and \$121,755 was donated web-based advertising.

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 2. Summary of Significant Accounting Policies (continued)

**Fixed assets:** Fixed assets are stated at cost. WhyHunger capitalizes expenditures for additional renewals and betterments. Depreciation is computed over the estimated useful lives of the assets by the straight-line method for financial reporting as follows:

Furniture and fixtures	5 years
Computer and office equipment	3 years
Leasehold improvements	5 years

Leasehold improvements are depreciated over the shorter of the lease term or the estimated useful lives of the related assets.

**Long-lived assets:** Long-lived assets are calculated for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through estimated undiscounted future cash flows from the use of these assets. When any such impairment exists, the related assets will be written down to fair value. No such impairment losses have been necessary through December 31, 2025.

**Intangible assets:** Intangible assets subject to amortization include software and technology assets, which were amortized on a straight-line method over five years.

**Grants payable:** Grants authorized but unpaid at year-end are reported as liabilities. All grants payable are classified as current on the Statements of Financial Position.

**Deferred revenue:** Revenue related to receipts collected prior to the occurrence of special events is deferred and recognized in the period in which the special event is held. WhyHunger recorded no deferred revenue at December 31, 2025 or 2024.

**Functional allocation of expenses:** The Statements of Functional Expenses report expenses by both natural and functional classification. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. General operating costs across nearly all natural categories are allocated on the basis of estimates of time and effort.

**Income taxes:** WhyHunger was incorporated in the State of New York and is exempt from federal, state, and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, WhyHunger has been determined by the Internal Revenue Service ("IRS") not to be a "private foundation" within the meaning of Section 509(a) of the Code.

ASC 740 requires that organizations must recognize the tax impact of a tax position taken on a tax return when it is more likely than not that the position will not be sustained on

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies (continued)

#### **Income taxes (continued):**

audit, based on the technical merits of the position. WhyHunger does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits. WhyHunger has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, WhyHunger has filed IRS Form 990 tax returns, as required.

**Use of estimates:** In preparing financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. The Organization's results are affected by economic, political, legislative, regulatory, and legal actions. Economic conditions, such as recessionary trends, inflation, interest and monetary exchange rates, government fiscal policies, and changes in the prices of materials, can have a significant impact on operations. These factors and other events may cause actual results to differ from management's estimates.

**Concentration of credit risk:** Financial instruments, which potentially subject WhyHunger to concentration of credit risk, consist primarily of cash and cash equivalents. At times, WhyHunger has cash deposits at financial institutions which exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. While management routinely exceeds FDIC limits on its deposits, WhyHunger has not experienced any such losses through December 31, 2025.

**Leases:** In accordance with Financial Accounting Standards Board ("FASB") ASC Topic 842, *Leases*, ("ASC 842"), the Organization recognizes leases on the Statements of Financial Position and discloses key information about leasing arrangements. The Organization follows a right-of-use model that requires a lessee to recognize a right-of-use asset and lease liability on the Statements of Financial Position for all leases with a term longer than twelve months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition.

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 2. Summary of Significant Accounting Policies (continued)

#### Leases (continued):

See Note 17 for further disclosure regarding leases.

**Subsequent events:** Subsequent events have been evaluated through June 22, 2026, which is the date the financial statements were available to be issued.

### 3. Investments at Fair Value

Investments at December 31, 2025 at fair value are summarized below:

	<u>Cost</u>	<u>Fair Value</u>
Common stocks	\$ 522,573	\$ 894,479
Mutual funds	387,016	353,456
Total	<u>\$ 909,589</u>	<u>\$ 1,247,935</u>

Investments at December 31, 2024 at fair value are summarized below:

	<u>Cost</u>	<u>Fair Value</u>
Common stocks	\$ 472,715	\$ 800,982
Mutual funds	371,974	321,590
Total	<u>\$ 844,689</u>	<u>\$ 1,122,572</u>

The fair value of the investments detailed above is determined by reference to market quotations at December 31, 2025 and 2024. The investments are managed by professional investment advisors and managers.

Market risk includes global events which could impact the value of investment securities such as a pandemic, international conflict, or bank failure.

WhyHunger's holdings in equities and mutual funds are carried at their aggregate market values as determined by the quoted market prices at the end of each business day. WhyHunger includes these prices in the amounts disclosed in Level 1 of the hierarchy. The following tables present WhyHunger's assets at December 31, 2025 and 2024 that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 3. Investments at Fair Value (continued)

	2025			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks	\$ 894,479	\$ 894,479	\$ -	\$ -
Mutual funds	353,456	353,456	-	-
Total	\$ 1,247,935	\$ 1,247,935	\$ -	\$ -
	2024			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks	\$ 800,982	\$ 800,982	\$ -	\$ -
Mutual funds	321,590	321,590	-	-
Total	\$ 1,122,572	\$ 1,122,572	\$ -	\$ -

### 4. Liquidity and Availability

As of December 31, 2025 and 2024, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	2025	2024
Total financial assets at year-end:		
Cash and cash equivalents	\$ 2,707,478	\$ 3,800,797
Investments at fair value	1,247,935	1,122,572
Contributions and accounts receivable, current	716,690	655,701
Total financial assets at year-end	\$ 4,672,103	\$ 5,579,070
Less: amounts not available to be used within one year:		
Donor-restricted endowment	\$ (100,000)	\$ (100,000)
Internal Board-designated operating reserve fund	(570,150)	(570,150)
Internal Board-designated rapid response fund	(84,592)	(93,233)

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 4. Liquidity and Availability (continued)

	<u>2025</u>	<u>2024</u>
Internal Board-designated endowment	(1,020,525)	(914,537)
Total amounts not available to be used within one year	\$ (1,775,267)	\$ (1,677,920)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,896,836	\$ 3,901,150

WhyHunger receives significant contributions and promises to give restricted by donors and considers contributions restricted for programs, which are ongoing, major, and central to its annual operations, to be available to meet cash needs for general expenditures.

In 1995 certain members of the WhyHunger governing Board established a Board-designated fund for the benefit of WhyHunger (also see Notes 11 and 14). In June 2016, the Board established this fund as the WhyHunger Harry Chapin Endowment Fund. A portion of the income and/or gain earned by the Board-designated endowment fund, after the fund reaches an intended goal of \$600,000, may be distributed as general support revenue for WhyHunger's programs. The Board-designated endowment exceeded this threshold at December 31, 2025 and 2024; however, no amounts have been distributed by the Board.

In April 2021, members of the WhyHunger governing Board established a Board-designated operating reserve fund for the benefit of WhyHunger (see Note 11), effective December 31, 2020. The purpose of the operating reserve is to provide an internal source of funds for situations such as sudden increases in expenses, unbudgeted expenses, unanticipated losses in funding and uninsured losses.

In May 2022, the Organization's Board established a Board-designated rapid response fund, effective December 31, 2021, for the benefit of WhyHunger. The purpose of the reserve is to provide vital assistance to WhyHunger's grassroots partners during times of crisis when facing unexpected hardships.

WhyHunger manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. WhyHunger operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Further, WhyHunger's investment portfolio consists of common stocks and mutual funds, which are not subject to any constraints limiting WhyHunger's ability to respond quickly to changes in market conditions.

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 4. Liquidity and Availability (continued)

WhyHunger also has a line of credit and a loan facility available to meet short-term needs. See Note 9 for information about these arrangements.

### 5. Contributions and Contributions Receivable, Net

Conditional promises to give are those in which a measurable barrier and right of return or release exists. When the measurable barrier is overcome, the promise becomes unconditional, and the contribution is recognized. As of December 31, 2025, WhyHunger has received conditional promises to give totaling \$5,875,000, of which \$1,940,000 and \$1,935,000 were recognized during the years ended December 31, 2025 and 2024, respectively, as the underlying programmatic and administrative barriers were overcome and the right of release no longer exists. As of December 31, 2025, a total of \$3,930,000 has been received and \$1,945,000 related to these conditional promises to give remains to be recognized.

Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The present value of future cash flows of the Organization's long-term receivables mirrors face value and, accordingly, no discount has been recorded, as it is considered by management to be immaterial.

Unconditional promises to give recorded at December 31, 2025 and 2024, along with the expected maturity date of the gifts, are as follows:

	<u>2025</u>	<u>2024</u>
Unconditional promises to give, gross	<u>\$756,690</u>	<u>\$655,701</u>
Amounts due in:		
Less than one year	\$716,690	\$655,701
One to five years	40,000	-
Total	<u><u>\$756,690</u></u>	<u><u>\$655,701</u></u>

For the years ended December 31, 2025 and 2024, no allowance for credit losses was recorded.

During the year ended December 31, 2025, support from two donors comprised approximately 39% of WhyHunger's total annual revenue and support. At December 31, 2025, unconditional promises to give from two donors totaled 25% of the receivable balance.

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 5. Contributions and Contributions Receivable, Net (continued)

During the year ended December 31, 2024, support from two donors comprised approximately 37% of WhyHunger's total annual revenue and support. At December 31, 2024, unconditional promises to give from one donor totaled 21% of the receivable balance.

### 6. Prepaid and Other Assets

Included in prepaid and other assets are various autographed musical instruments and other memorabilia for future fundraising auction donations, security deposits, and prepaid insurance. At December 31, 2025 and 2024, the total balance of prepaid and other assets was \$102,003 and \$118,157, respectively. Of this amount, \$43,851 and \$42,046 at December 31, 2025 and 2024, respectively, pertains to autographed musical instruments and other memorabilia.

### 7. Fixed Assets, Net

Fixed assets, net consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Furniture and fixtures	\$ 47,189	\$ 47,189
Computer and office equipment	93,205	83,292
Total	140,394	130,481
Less: accumulated depreciation	<u>(87,976)</u>	<u>(52,526)</u>
Fixed assets, net	<u>\$ 52,418</u>	<u>\$ 77,955</u>

Depreciation expense for the years ended December 31, 2025 and 2024 totaled \$35,449 and \$27,285, respectively, and is included within depreciation and amortization expense on the Statements of Functional Expenses.

### 8. Intangible Assets, Net

WhyHunger has intangible assets consisting of software and other technology. As of December 31, 2025 and 2024, all intangible assets were fully amortized.

### 9. Line of Credit and Loan Facility

WhyHunger has a line of credit with a financial institution in the amount of \$750,000, which matures in December 2026. The line of credit is secured by WhyHunger's assets and interest is charged on any outstanding balance at prime (6.75% at December 31, 2025) plus one percentage point and is never to be less than 7.00%. At December 31, 2025 and 2024, there were no outstanding borrowings under this line.

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 9. Line of Credit and Loan Facility (continued)

WhyHunger has a loan facility liquidity access line with a financial institution, which is collateralized by the Harry Chapin endowment fund (see Note 11). The total amount of the line fluctuates based on market volatility and collateral account balances. There are no minimum withdrawal requirements. At December 31, 2025 and 2024 the total available credit line was \$747,687 and \$668,459 at a variable interest rate of 6.65% and 7.39%, respectively. As of December 31, 2025 and 2024, there were no outstanding borrowings under this line.

### 10. Hungerthon Contingency

As part of WhyHunger's 2020 annual Hungerthon event, various experiences were auctioned off in an effort to raise funds for WhyHunger's programs. WhyHunger received contributions related to these auctions, yet as of December 31, 2023, some of the related experiences were not fulfilled. As WhyHunger was uncertain as to whether these 2020 auctioned experiences would be fulfilled in the future, a contingency liability totaling \$60,100 was recorded within accounts payable and other liabilities in the Statements of Financial Position at December 31, 2023, which represented the amount management believed may be required to be reimbursed to respective donors in the event such experiences were not fulfilled. As significant time has passed, the Organization wrote off the contingency liability in the amount of \$60,100 as of December 31, 2024, which is included within miscellaneous income on the 2024 Statement of Activities.

### 11. Board-Designated Funds

In 1995, certain members of the Board, in their individual capacities, undertook to establish a board-designated fund for the benefit of WhyHunger. In June 2016, the Board established this fund as the WhyHunger Harry Chapin Endowment Fund.

In April 2021, the Board established a Board-designated operating reserve fund, effective December 31, 2020, for the benefit of WhyHunger. The purpose of the operating reserve is to provide an internal source of funds for situations such as sudden increases in expenses, unbudgeted expenses, unanticipated losses in funding, and uninsured losses. For the year ended December 31, 2020, the Board approved an initial transfer of \$160,000 to establish the operating reserve fund. During the years ended December 31, 2021 and December 31, 2023, additional transfers to the operating reserve fund of \$225,000 and \$185,000, respectively, were approved by the Board.

In May 2022, the Organization's Board established a Board-designated rapid response fund, effective December 31, 2021, for the benefit of WhyHunger. The purpose of the reserve is to provide vital assistance to WhyHunger's grassroots partners during times of crisis when facing unexpected hardships. Qualifying crises may include: (1) natural disasters such as floods, fires, earthquakes, climate catastrophes; (2) violence or threats of violence impacting food security; (3) health disasters such as the global COVID-19 Pandemic or regional public health crises; (4) unforeseen economic hardship or

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 11. Board-Designated Funds (continued)

disruption; and (5) violence in the way of persecution, targeting of social movement leaders, and civil war. During the year ended December 31, 2021, the Board approved a transfer of \$150,000 to establish the rapid response fund. An additional transfer of \$50,000 was approved by the Board in June 2023.

Since these Board-designated funds resulted from internal designations and are not donor-restricted, they are classified and reported as net assets without donor restriction.

### 12. Net Assets With Donor Restriction

Net assets with donor restrictions are available for the following purposes or periods at December 31:

	<u>2025</u>	<u>2024</u>
Subject to program expenditure for a specified purpose:		
Endowment funds subject to appropriation and expenditure	\$ 149,005	\$ 128,182
Eastern Woodlands Rematriation	361,941	201,801
Rise Root Farm Documentary	2,974	2,974
Ken Kragen Memorial fund	7,418	7,324
Other program expenses, including re-granting of funds	423,730	637,031
Total purpose restriction	<u>945,068</u>	<u>977,312</u>
Subject to be held in perpetuity	100,000	100,000
Total	<u>\$ 1,045,068</u>	<u>\$ 1,077,312</u>

### 13. Net Assets Released From Restriction

During the years ended December 31, 2025 and 2024, net assets with donor restrictions were released for the following purposes:

	<u>2025</u>	<u>2024</u>
Satisfaction of program restrictions:		
Eastern Woodlands Rematriation	\$ 201,801	\$ -
Rise Root Farm Documentary	-	18,234
Ken Kragen Memorial fund	9	68
Program expenses, including re-granting of funds	630,393	259,408
Total	<u>\$ 832,203</u>	<u>\$ 277,710</u>

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 14. Endowment

WhyHunger's endowment consists of donor-restricted and Board-designated funds (see Note 11). As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Donor-restricted endowment net assets of \$100,000 are held in perpetuity at December 31, 2025 and 2024, the distributions from which are to be used to the extent available and necessary to provide support for an annual concert intended to raise awareness about hunger, health, and other important issues, as well as the work of WhyHunger and its chosen community partner.

**Interpretation of the relevant law:** The spending of endowment funds by a not-for-profit foundation in the State of New York is currently governed by NYPMIFA. WhyHunger has interpreted NYPMIFA 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. WhyHunger classifies as net assets with donor restrictions (to be held in perpetuity) (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument.

In accordance with NYPMIFA, WhyHunger considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of WhyHunger and the donor-restricted endowment funds, (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 WhyHunger, (7) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on WhyHunger, and (8) the investment policy of WhyHunger.

**Investment return objectives, risk parameters, strategies, and spending policy:**

WhyHunger follows an investment policy approved for all investments including endowment assets. According to WhyHunger's policy, endowment funds shall be invested with the objective of preserving the long-term real purchasing power of the funds' assets while realizing appropriate investment income. Endowment fund assets may be invested in certificates of deposit, Treasury bills, commercial paper, bankers' acceptances, repurchase agreements, mutual funds, exchange traded funds, equities (including common stock, preferred stock, convertible securities, and other equities, whether traded on an exchange or not publicly traded), fixed income securities, real estate, commodities, natural-resource related stock, hedge funds, derivatives, alternate investment vehicles and, as to an appropriate portion, cash equivalent investments. The asset allocation of each of the endowment funds shall be determined from time to time by the Board, in consultation with any managers or advisors if desired (unless the Board delegates such task to an external manager), which allocation shall reflect a proper

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 14. Endowment (continued)

#### Investment return objectives, risk parameters, strategies, and spending policy (continued):

balance of the endowment fund's investment objective, any risk tolerance standard, and the need for liquidity.

Investments of each endowment fund are to be diversified to limit the risk of loss resulting from the concentration of assets in a specific type of investment, specific maturity, specific issuer, or sector unless the Board prudently determines that, because of special circumstances, the purposes of the fund are better served without diversification.

The Board will also review, from time to time, WhyHunger's arrangements with any investment managers, investment advisors, custodians and the banks, and other entities with which WhyHunger maintains its financial assets to ensure that the costs and fees associated with each such arrangement are appropriate and reasonable in relation to the assets, WhyHunger's purposes and the skills available.

It is understood that spending of the donor-restricted endowment is to be limited to market appreciation on the original funds contributed. In the event that the endowment account's market value is below the value of the original amount contributed, spending will cease until such a time when the account has recovered its original value through market appreciation. A portion of the income and/or gain earned by the Board-designated endowment fund, after the fund reaches an intended goal of \$600,000 and sustained a value of \$600,000 or more for two consecutive quarters, may be distributed as general support for WhyHunger's programs. On at least an annual basis, the Finance Committee of the Board shall recommend an amount to be transferred from the income and/or gain of the Board-designated endowment fund to the general operating fund of WhyHunger. A percentage of between 1% and 7% would be recommended by the Finance Committee for distribution based on the Finance Committee's evaluation and discretion. It is the Board's intention that the value of the Board-designated endowment fund does not fall below \$600,000 through any distribution.

Endowment net asset composition as of December 31, 2025 is as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 249,005	\$ 249,005
Board-designated endowment funds	1,020,525	-	1,020,525
Total funds	<u>\$ 1,020,525</u>	<u>\$ 249,005</u>	<u>\$1,269,530</u>

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 14. Endowment (continued)

**Investment return objectives, risk parameters, strategies, and spending policy (continued):**

Changes in endowment net assets as of December 31, 2025 are as follows:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 914,537	\$ 228,182	\$1,142,719
Net investment income	6,942	1,220	8,162
Net appreciation	99,046	19,603	118,649
Endowment net assets, end of year	\$ 1,020,525	\$ 249,005	\$1,269,530

Endowment net asset composition as of December 31, 2024 is as follows:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 228,182	\$ 228,182
Board-designated endowment funds	914,537	-	914,537
Total funds	\$ 914,537	\$ 228,182	\$1,142,719

Changes in endowment net assets as of December 31, 2024 are as follows:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 815,898	\$ 193,012	\$ 1,008,910
Net investment income	5,745	1,118	6,863
Net depreciation	92,894	34,052	126,946
Endowment net assets, end of year	\$ 914,537	\$ 228,182	\$ 1,142,719

### 15. Pension Plan

WhyHunger's defined contribution pension plan was established in 1993 under Section 403(b) of the Code. All employees, excluding those who normally work less than 20 hours per week, are eligible to participate in the pension plan upon date of hire. Participating employees contribute to the plan in the form of semi-monthly contributions (subject to annual IRS limitations). The plan provision called for an employer contribution of 5% of compensation after two years of service on a monthly basis. However, as of September 15, 2013, the plan was amended to change the non-elective

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 15. Pension Plan (continued)

contribution formula to a discretionary contribution. Several other aspects of the Plan were amended in January 2018, including the addition of employer matching contributions. For the years ended December 31, 2025 and 2024, WhyHunger made discretionary contributions to the plan totaling \$75,898 and \$59,875, respectively.

### 16. Related Parties

The Organization receives contributions from members of the Board, management, and related family in the normal course of its operations.

### 17. Leases

In December 2021, WhyHunger executed a lease agreement to surrender its office space, which matured in January 2022, and relocate to a new location in the same building. The new lease commenced upon WhyHunger taking possession of the new premises, which occurred in May 2022. The rental agreement has a maturity date of April 30, 2032. WhyHunger also leases various copier and computer machines with terms through October 2027; however, the value of such leases are not considered material to the financial statements and are therefore not reflected within the subsequent note disclosure. For the Organization's operating lease, the weighted-average discount rate represents the Organization's average estimated incremental borrowing rate. Lease terms may include options to extend or terminate a lease when it is reasonably certain that it will exercise the option. Operating leases with a term of twelve months or less are not recorded on the Statements of Activities.

The right-of-use assets and lease liabilities at December 31 are as follows:

	<u>2025</u>	<u>2024</u>
<b>Lease assets - Classification in the Statement of Financial Position</b>		
Operating lease right-of-use	\$ 621,877	\$ 702,411
Total leased right-of-use assets	<u>\$ 621,877</u>	<u>\$ 702,411</u>
<b>Lease liabilities - Classification in the Statement of Financial Position</b>		
Right-of-use operating lease liability, current portion	\$ 81,975	\$ 75,078
Right-of-use operating lease liability, net of current portion	572,754	654,729
Total operating lease liabilities	<u>\$ 654,729</u>	<u>\$ 729,807</u>
<b>Annual lease costs</b>		
Operating lease costs	\$ 117,075	\$ 117,075
Variable lease costs	14,524	11,249
Total lease costs	<u>\$ 131,599</u>	<u>\$ 128,324</u>

# WHYHUNGER, INC.

## NOTES TO FINANCIAL STATEMENTS

### 17. Leases (continued)

On the 2025 and 2024 Statements of Functional Expenses, operating lease costs totaling \$131,599 and \$128,324, respectively, are included within occupancy expense.

	2025	2024
<b>Weighted-average discount rate:</b>		
Operating leases	5.25%	5.25%
<b>Weighted-average remaining lease term (months):</b>		
Operating leases	76	88

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

Year Ending December 31,	Amount
2026	\$ 114,411
2027	117,271
2028	120,203
2029	123,208
2030	126,288
Thereafter	172,947
Total lease payments	774,328
Less: Imputed interest	(119,599)
Present value of lease liability	\$ 654,729

### 18. Government Grants

During the year ended December 31, 2024, the Organization received a grant from the Massachusetts Local Food Purchase Assistance Cooperative Agreement Program totaling \$85,189, the amount of which was received in a fiscal sponsorship capacity and was utilized to support the Eastern Woodlands Rematriation Collective. The total grant amount is included within government grants on the 2024 Statement of Activities. The Organization did not receive grants from any governmental organization during the year ended December 31, 2025.

### 19. Subsequent Event

Subsequent to year-end in February 2026, WhyHunger executed an agreement with a donor for a \$1.5 million grant. The funds will be used to assist the Organization with carrying out its mission.