

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

World Central Kitchen, Inc. and Affiliate

December 31, 2024 and 2023

Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated statements of financial position	5
Consolidated statements of activities	6
Consolidated statements of functional expenses	8
Consolidated statements of cash flows	10
Notes to consolidated financial statements	11

GRANT THORNTON LLP

1000 Wilson Boulevard, Suite 1500
Arlington, VA 22209-3927

D +1 703 847 7500

F +1 703 848 9580

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
World Central Kitchen, Inc. and Affiliate

Opinion

We have audited the consolidated financial statements of World Central Kitchen, Inc. and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 the Organization 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 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 the Organization's ability to continue as a going concern for one year after the date the consolidated 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 consolidated 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 US GAAS 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 US GAAS, 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 the Organization'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 the Organization'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.

Grant Thornton LLP

Arlington, Virginia
September 25, 2025

World Central Kitchen, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 168,168,678	\$ 135,063,020
Government contracts receivable	-	410,400
Pledges receivable, net	19,018,571	21,292,832
Investments	24,439,988	17,606,221
Right-of-use assets - operating leases	2,994,448	3,502,727
Property and equipment, net	6,949,614	4,117,947
Prepaid expenses and other assets	4,698,535	5,468,653
Total assets	\$ 226,269,834	\$ 187,461,800
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 18,694,788	\$ 11,222,141
Accrued expenses and other liabilities	10,819,341	3,745,406
Lease liabilities - operating leases	3,239,689	3,736,320
Total liabilities	32,753,818	18,703,867
Net assets		
Without donor restrictions	186,452,697	159,310,570
With donor restrictions	7,063,319	9,447,363
Total net assets	193,516,016	168,757,933
Total liabilities and net assets	\$ 226,269,834	\$ 187,461,800

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

World Central Kitchen, Inc. and Affiliate
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions and grants	\$ 219,932,313	\$ 104,707,953	\$ 324,640,266
Contributions of non-financial assets	2,468,086	3,291,340	5,759,426
Other income	119,605	-	119,605
Contracts and agreements	79,792	-	79,792
Net asset released from restrictions	110,369,135	(110,369,135)	-
Total support and revenues	<u>332,968,931</u>	<u>(2,369,842)</u>	<u>330,599,089</u>
Expenses			
Program	281,892,063	-	281,892,063
Management and general	17,921,414	-	17,921,414
Fundraising	13,276,442	-	13,276,442
Total expenses	<u>313,089,919</u>	<u>-</u>	<u>313,089,919</u>
Change in net assets from operating activities	<u>19,879,012</u>	<u>(2,369,842)</u>	<u>17,509,170</u>
Nonoperating activities			
Net investment gain (loss)	7,980,239	(14,202)	7,966,037
Loss due to foreign currency transactions	(717,124)	-	(717,124)
Change in net assets from nonoperating activities	<u>7,263,115</u>	<u>(14,202)</u>	<u>7,248,913</u>
CHANGE IN NET ASSETS	<u>27,142,127</u>	<u>(2,384,044)</u>	<u>24,758,083</u>
Net assets, beginning of year	<u>159,310,570</u>	<u>9,447,363</u>	<u>168,757,933</u>
Net assets, end of year	<u><u>\$ 186,452,697</u></u>	<u><u>\$ 7,063,319</u></u>	<u><u>\$ 193,516,016</u></u>

The accompanying notes are an integral part of this consolidated financial statement.

World Central Kitchen, Inc. and Affiliate

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions and grants	\$ 162,129,852	\$ 72,841,528	\$ 234,971,380
Contributions of non-financial assets	1,989,506	714,384	2,703,890
Other income	41,812	-	41,812
Contracts and agreements	-	3,026,000	3,026,000
Net asset released from restrictions	73,495,804	(73,495,804)	-
	237,656,974	3,086,108	240,743,082
Expenses			
Program	244,295,728	-	244,295,728
Management and general	18,173,543	-	18,173,543
Fundraising	9,058,311	-	9,058,311
	271,527,582	-	271,527,582
Total support and revenues			
	237,656,974	3,086,108	240,743,082
	(33,870,608)	3,086,108	(30,784,500)
Nonoperating activities			
Net investment gain (loss)	6,569,572	(110,691)	6,458,881
Loss due to foreign currency transactions	(1,644,459)	-	(1,644,459)
	4,925,113	(110,691)	4,814,422
Change in net assets from operating activities			
	(33,870,608)	3,086,108	(30,784,500)
	(28,945,495)	2,975,417	(25,970,078)
CHANGE IN NET ASSETS			
	(28,945,495)	2,975,417	(25,970,078)
Net assets, beginning of year	188,256,065	6,471,946	194,728,011
Net assets, end of year	\$ 159,310,570	\$ 9,447,363	\$ 168,757,933

The accompanying notes are an integral part of this consolidated financial statement.

World Central Kitchen, Inc. and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2024

	<u>Program Services</u>		<u>Supporting Activities</u>		<u>Total</u>
	<u>Emergency</u>	<u>Management</u>		<u>Fundraising</u>	
	<u>Relief</u>	<u>and General</u>			
	<u>Programs</u>				
Food	\$ 189,307,595	\$ -	\$ -	\$ -	\$ 189,307,595
Activation, supplies and equipment	12,385,863	-	-	-	12,385,863
Freight, logistics and activation services	34,140,211	100,858	3,007	-	34,244,076
Salaries and benefits	5,949,268	4,338,766	2,967,662	-	13,255,696
Subcontractors	20,379,510	493,143	8,181	-	20,880,834
Professional fees	537,887	4,925,944	80,525	-	5,544,356
Travel	5,821,761	1,499,124	114,741	-	7,435,626
Information technology	798,716	537,927	358,765	-	1,695,408
Occupancy	7,503,252	78,936	-	-	7,582,188
Office expense	444,147	1,334,328	486,709	-	2,265,184
Advertising and promotion	1,537,744	138,879	4,121,892	-	5,798,515
Licenses and fees	399,638	1,124,094	5,028,623	-	6,552,355
Conferences, events and meetings	34,632	678,594	106,337	-	819,563
Insurance	653,105	35,144	-	-	688,249
Grants	1,795,191	1,906,645	-	-	3,701,836
Depreciation expense	203,543	729,032	-	-	932,575
	<u>\$ 281,892,063</u>	<u>\$ 17,921,414</u>	<u>\$ 13,276,442</u>	<u>\$ -</u>	<u>\$ 313,089,919</u>
Expenses reported on the statements of activities	<u>\$ 281,892,063</u>	<u>\$ 17,921,414</u>	<u>\$ 13,276,442</u>	<u>\$ -</u>	<u>\$ 313,089,919</u>

The accompanying notes are an integral part of this consolidated financial statement.

World Central Kitchen, Inc. and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023

	<u>Program Services</u>		<u>Supporting Activities</u>		<u>Total</u>
	<u>Emergency Relief Programs</u>	<u>Management and General</u>	<u>Fundraising</u>		
Food	\$ 177,140,515	\$ -	\$ -	\$ 177,140,515	
Activation, supplies and equipment	11,616,783	30,631	-	11,647,414	
Freight, logistics and activation services	23,109,611	300,639	2,526	23,412,776	
Salaries and benefits	5,239,539	4,563,815	3,313,021	13,116,375	
Subcontractors	8,670,362	952,723	72,019	9,695,104	
Professional fees	4,863,757	5,443,129	747,875	11,054,761	
Travel	6,478,848	1,187,125	193,266	7,859,239	
Information technology	803,857	752,004	347,809	1,903,670	
Occupancy	2,091,878	556,748	-	2,648,626	
Office expense	773,960	125,452	262,797	1,162,209	
Advertising and promotion	934,477	3,069,795	124,348	4,128,620	
Licenses and fees	1,286,573	257,516	3,937,530	5,481,619	
Conferences, events and meetings	12,287	447,060	57,120	516,467	
Insurance	112,374	486,275	-	598,649	
Grants	444,276	-	-	444,276	
Depreciation expense	716,631	631	-	717,262	
	<u>\$ 244,295,728</u>	<u>\$ 18,173,543</u>	<u>\$ 9,058,311</u>	<u>\$ 271,527,582</u>	
Expenses reported on the statements of activities					

The accompanying notes are an integral part of this consolidated financial statement.

World Central Kitchen, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31,

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 24,758,083	\$ (25,970,078)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Realized and unrealized gains on investments, net	(2,663,725)	(1,718,790)
Depreciation expense	932,575	717,262
Bad debt expense	885,755	464,853
Changes in operating assets and liabilities:		
Government contracts receivable	410,400	300,000
Pledges receivable, net	1,388,506	10,466,762
Prepaid expenses and other assets	770,118	(2,014,377)
Right-of-use assets - operating leases	508,279	(457,149)
Accounts payable	7,599,899	6,337,145
Accrued expenses and other liabilities	6,946,683	3,450,183
Lease liabilities - operating leases	(496,631)	(506,983)
	41,039,942	(8,931,172)
Investing activities		
Purchase of property and equipment	(3,764,242)	(2,246,149)
Purchase of investments	(7,021,457)	(10,587,350)
Proceeds from sales of investments	2,851,415	8,654,137
	(7,934,284)	(4,179,362)
NET INCREASE (DECREASE) IN CASH	33,105,658	(13,110,534)
Cash and cash equivalents, beginning of year	135,063,020	148,173,554
Cash and cash equivalents, end of year	\$ 168,168,678	\$ 135,063,020

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

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

World Central Kitchen, Inc. (the Organization, or WCK) is a nonprofit corporation organized in 2010 under the Maryland General Corporation Law. WCK is first to the frontlines, providing meals in response to humanitarian, climate, and community crises. It has served hundreds of millions of fresh meals to people impacted by natural and humanitarian disasters around the world in countries like Ukraine, Gaza, Spain, Morocco, Germany, Brazil, Türkiye, Mexico, Haiti, and the United States.

The Organization has a registered affiliate in Spain, whose financial results are consolidated herein, representing strategic positioning in Europe to leverage local resources and to improve disaster response timeliness and efficiency.

By partnering with organizations on the ground, activating a network of food trucks, and building emergency kitchens, and with the help of thousands of local contractors and volunteers, WCK served more than 109 plus million meals to families in 20 countries in 2024.

Principles of Consolidation

The consolidated financial statements beginning with the year ended December 31, 2022, include the accounts of WCK and WCK Spain (collectively referred to as the Organization, or WCK). All significant intercompany transactions have been eliminated.

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and are presented using accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable for not-for-profit corporations.

Use of Estimates

The preparation of financial statements, in accordance with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Deposits in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per institution. The Organization held \$166,196,377 in excess of insured limits at December 31, 2024.

Investments

Investments are reported at fair value. As of December 31, 2024 and 2023, the Organization invested only in equity securities, U.S. treasuries, mutual funds and exchange-traded funds with readily determinable fair values. Fair value is determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions (also known as Level 1 of the fair value hierarchy).

Fair Value Measurement

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, the Organization has categorized its applicable financial

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument. The Organization's investments are considered to be Level 1 instruments.

Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

- Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted prices in active markets.
- Level 2 - Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Pledges Receivable

Pledges receivable consist of the uncollected portion of unconditional promises from donors. See Note 3 for expected maturities and the discount recorded. Amounts are deemed fully collectible and there are no identifiable concentrations of credit risk.

Property and Equipment

The Organization's policy is to capitalize all purchases of furniture, equipment, and other capital assets with a value of \$50,000 or greater and a useful life in excess of one year. Purchased fixed assets are recorded at cost and donated fixed assets are initially recorded at estimated fair value. Depreciation is computed using the straight-line method over estimated useful lives from five to 30 years.

Leases

The Organization determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether the Organization controls the use of the identified asset throughout the period of use. The Organization classifies leases as either financing or operating. Right-of-use (ROU) assets are recognized at the lease commencement date and 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 arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on the risk-free rate. Expenses related to leases determined to be operating leases are recognized on a straight-line basis, while those determined to be finance leases are recognized following a front-loaded expense pattern in which interest and amortization are presented separately in the consolidated statements of activities.

The Organization assesses whether a lease is classified as an operating lease or a finance lease at lease commencement. The Organization's ROU assets are initially measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of our ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the long-lived asset guidance.

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

The Organization does not allocate consideration between lease and non-lease components, such as operating costs, as the Organization has elected to not separate lease and non-lease components for any leases within its existing classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred.

Net Assets

The Organization's net assets, the excess of assets over liabilities, are reported in two classes that are based upon the existence or absence of restrictions imposed by donors:

With Donor Restrictions: Net assets with donor restrictions are restricted by a donor to be used for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions. The Organization's unspent unconditional contributions are included in this class if the donor limited their use. When a donor's restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. The Organization has no net assets restricted for perpetuity as of December 31, 2024 and 2023.

Without Donor Restrictions: Net assets without donor restrictions are available to support general operations.

Support and Revenue Recognition

The Organization evaluates whether a transfer of assets is: (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred; or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under Topic 606. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both: (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised; and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Support is recognized when an unconditional contribution is received, or when conditions are satisfied.

Revenues from contracts and agreements qualifying as contributions are recorded by the Organization upon notification of the award and satisfaction of all conditions, if applicable. Such contracts and agreements are classified as net assets with donor restrictions when use of the funds is limited to specific purposes or is restricted for use in future periods. As of December 31, 2024, the Organization had \$2,500,000 in conditional contributions outstanding. Recognition of these contributions is contingent upon the achievement of specified progress milestones, as determined satisfactory by the donor. As of December 31, 2023, the Organization did not have conditional contributions outstanding.

Contributed services, if any, are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Organization receives a significant amount of services from volunteers which do not meet the above criteria for recognition in financial statements.

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Functional Expenses

Expenses are classified in the following functional categories:

Program Services - Program services consist of direct costs of the following program focus areas and an allocation of overhead costs. Consult the Organization's website at <https://www.worldcentralkitchen.org> for more detailed explanations.

- **Emergency Relief.** Within hours, WCK provides meals domestically and internationally in affected areas after natural and man-made disasters.

Management and General - Management and general activities are those that provide governance, oversight, business and financial management, financial recordkeeping, budgeting, legal, and human resource management services.

Fundraising - Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Activities include publicizing and conducting fundraising campaigns, maintaining donor lists, conducting fundraising events, and any other activities that solicit contributions from corporations, foundations, individuals and others.

Direct expenses are assigned to the various functional categories based on the purpose achieved by each expense. Indirect expenses are allocated to more than one functional category in accordance with an estimate of the relative benefit received by the expenses. Indirect expenses consist mainly of certain personnel and occupancy costs. Salaries and wages, benefits and payroll taxes are allocated based on employee estimates of the percentage of time spent in each function. Occupancy and insurance costs are allocated based on salary allocations.

Translation of Foreign Currencies

Foreign currency transactions and financial statements are translated into U.S. dollars at current exchange rates. Exchange gains and losses resulting from foreign currency transactions are included in the accompanying consolidated statements of activities.

Tax-Exempt Status

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Organization is exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Reclassifications

Certain prior period amounts have been reclassified for consistency with current year presentation. Natural expense categories for 2023 have been redefined to align with the natural classification of the Organization's expenses. There were no changes to total assets, liabilities, net assets, revenues, expenses or changes in net assets as previously reported in the 2023 consolidated financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of the date of the consolidated statements of financial position are as follows:

	2024	2023
Financial assets:		
Cash	\$ 168,168,678	\$ 135,063,020
Government contracts receivable	-	410,400
Pledges receivable	19,018,571	21,292,832
Investments	24,439,988	17,606,221
Less assets not available:		
Purpose restricted net assets (Note 6)	(4,246,319)	(6,247,363)
Receivables due in more than one year	(30,000)	(1,555,445)
Available financial assets	\$ 207,350,918	\$ 166,569,665

The Organization has structured its financial assets to be available as its general expenditures and liabilities come due. The Organization does not generally experience cash deficits and, therefore, has instituted no mechanism for financing them. The Organization invests cash in excess of foreseeable cash needs in highly liquid investments. See Note 4.

NOTE 3 - PLEDGES RECEIVABLE, NET

Pledges receivable represents pledges that are expected to be received in the future. The net amount expected to be received is discounted at an estimated risk adjusted rate of 2% related to a single multi-year pledge. Pledges receivable is expected to be received as follows:

	2024	2023
Less than one year	\$ 18,988,571	\$ 19,737,387
One to five years	30,000	1,555,445
	19,018,571	21,292,832
Less: unamortized discount	-	-
Pledges receivable, net	\$ 19,018,571	\$ 21,292,832

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 4 - INVESTMENTS

The following provides a summary of amounts held as of December 31:

	<u>2024</u>	<u>2023</u>
Mutual and exchange traded funds:		
Fixed income	\$ 7,162,722	\$ 6,117,533
Equities	5,472,329	7,547,400
U.S. Treasuries	1,631,869	1,568,249
Equities	<u>4,552,712</u>	<u>2,217,082</u>
	18,819,632	17,450,264
Cash and money market	<u>5,620,356</u>	<u>155,957</u>
Total	<u>\$ 24,439,988</u>	<u>\$ 17,606,221</u>

Net investment return consists of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 5,316,514	\$ 4,740,091
Realized and unrealized gains, net	<u>2,649,523</u>	<u>1,718,790</u>
Total net investment gain	<u>\$ 7,966,037</u>	<u>\$ 6,458,881</u>

Investments were recorded at fair value as of December 31, 2024 based on the following level of hierarchy:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds and exchange-traded funds:				
Fixed income	\$ 7,162,722	\$ 7,162,722	\$ -	\$ -
Equities	5,472,329	5,472,329	-	-
U.S. Treasuries	1,631,869	1,631,869	-	-
Equities	<u>4,552,712</u>	<u>4,552,712</u>	<u>-</u>	<u>-</u>
	<u>\$ 18,819,632</u>	<u>\$ 18,819,632</u>	<u>\$ -</u>	<u>\$ -</u>

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Investments were recorded at fair value as of December 31, 2023 based on the following level of hierarchy:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds and exchange-traded funds:				
Fixed income	\$ 6,117,533	\$ 6,117,533	\$ -	\$ -
Equities	7,547,400	7,547,400	-	-
U.S. Treasuries	1,568,249	1,568,249	-	-
Equities	<u>2,217,082</u>	<u>2,217,082</u>	<u>-</u>	<u>-</u>
	<u>\$ 17,450,264</u>	<u>\$ 17,450,264</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property consists of the following:

	<u>2024</u>	<u>2023</u>
Kitchen equipment	\$ 274,208	\$ 269,343
Vehicles	8,163,733	4,642,986
Emergency relief equipment	357,982	264,902
Other equipment	183,225	181,236
Accumulated depreciation	<u>(2,029,534)</u>	<u>(1,240,520)</u>
Property and equipment, net	<u>\$ 6,949,614</u>	<u>\$ 4,117,947</u>

Depreciation expense was \$932,575 and \$717,262 for the years ended December 31, 2024 and 2023, respectively.

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 6 - NET ASSETS WITH RESTRICTIONS

Net assets with restrictions consist of the following:

	2024	2023
Purpose restrictions:		
Gaza relief	\$ 2,510,000	\$ -
Hurricane Helene and Milton	624,015	-
Relief support	516,049	-
Climate disaster fund	499,105	-
Spain floods	97,150	-
Public health (COVID)	-	4,729,055
WCK direct	-	395,879
Community response	-	1,122,429
Subtotal	4,246,319	6,247,363
Time restrictions:		
Pledges receivable	2,817,000	3,200,000
Total	\$ 7,063,319	\$ 9,447,363

Net assets released from restriction were \$110,369,135 and \$73,495,804 for the years ended December 31, 2024 and 2023, respectively. Net assets were released from donor-imposed restrictions by incurring expenses satisfying the restricted purposes specified by the donors or due to the passage of time.

NOTE 7 - CONTRIBUTIONS OF NON-FINANCIAL ASSETS

The Organization's consolidated financial statements include the following contributions of non-financial assets:

	2024	2023
Donated goods	\$ 3,094,617	\$ 176,507
Professional services and other	2,664,809	2,527,383
Total	\$ 5,759,426	\$ 2,703,890

Donated goods are comprised of food, supplies and lodging that are used in emergency relief programs and fundraising activities. Professional services and other are comprised of attorneys who advise the Organization on various legal matters and donated airline tickets. Donated goods and services are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Donated goods and services are valued based upon estimates or fair valued for similar products sold and current rates for similar services.

In-kind contributions are not monetized, and contributions of non-financial assets had donor restrictions which totaled \$3,291,340 and \$714,384 as of December 31, 2024 and 2023, respectively. For the year ended December 31, 2024, \$201,926 of contributions of non-financial assets was included in fundraising expenses, \$2,266,160 was included in management and general and \$3,291,340 was included in emergency relief programs in the accompanying statement of functional expenses. For the year ended December 31, 2023, \$1,054,067 of contributions of non-financial assets was included in emergency relief

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

programs and \$742,835 was included with management and general expenses in the accompanying consolidated statements of functional expenses.

NOTE 8 - GRANT EXPENSE

The Organization works alongside local communities to advance human and environmental health, strengthen livelihoods, and improve food security. As part of this work, the Organization provides grants to individuals, vendors, and restaurant owners to help them recover from crises and resume their vital roles in the community. In late 2024, the Organization awarded such grants to local businesses in Valencia, Spain, to support recovery from severe flooding that occurred toward the end of the year and to help affected recipients restore operations.

Grant expense for the years ended December 31, 2024 and 2023 was \$1,795,191 and \$444,276, respectively. The Organization continues to make infrequent grants to nonprofit partners as part of its response efforts.

NOTE 9 - RETIREMENT PLAN

The Organization has a 403(b) retirement savings plan available to all full time employees. The Organization matches 50% of employee contributions, not to exceed 4% of the employee's salary. Retirement plan expense was \$279,926 and \$296,954 for 2024 and 2023, respectively.

NOTE 10 - OPERATING LEASES

The Organization has operating leases for real estate and has entered into various operating lease agreements with property owners. During 2024 and 2023, operating lease assets exchanged for new liabilities totaled \$376,755 and \$114,493, respectively.

The components of lease cost for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Operating lease cost	\$ 902,464	\$ 1,044,971
Short-term lease cost	10,552	10,404
Variable lease costs	118,522	126,052
Total lease cost	\$ 1,031,538	\$ 1,181,427

The lease term and discount rate for operating leases is as follows:

	2024	2023
Weighted average remaining lease term	5.40 years	6.05 years
Weighted average discount rate	1.94%	1.75%

Operating cash flow information related to leases during 2024 and 2023 includes cash paid for leases in the amount of \$879,164 and \$942,450, respectively.

World Central Kitchen, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Future undiscounted minimum future lease payments under non-cancelable leases as of December 31, 2024, are as follows:

<u>Years Ended December 31,</u>	
2025	\$ 759,381
2026	518,945
2027	485,957
2028	498,106
2029	510,559
2030 and thereafter	<u>479,083</u>
Total future lease payments	3,252,031
Less: imputed interest	<u>(12,342)</u>
Present value of lease liabilities	<u>\$ 3,239,689</u>

NOTE 11 - RELATED PARTY TRANSACTIONS

The Organization receives contributions from board members and other related organizations in the normal course of business. In 2024, the Organization entered into an agreement with a hospital led by one of its board members, to facilitate the distribution of meals to individuals in need. Total expenses and payments associated with this agreement amounted to \$1,516,000. There were no material related party transactions for the year ended December 31, 2023.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

All funds expended by the Organization in connection with government grants and contracts are subject to audit by government agencies. In the opinion of management, any cost disallowances resulting from these audits would not have a material impact on the Organization's consolidated financial statements.

The Organization is subject to claims and legal matters that arise in the ordinary course of operations. Management evaluates such matters on a case-by-case basis. One such matter is currently under consideration and may result in a loss; however, no litigation has been initiated, and management cannot reasonably estimate the amount of any potential loss. Accordingly, no liability has been recorded in the accompanying consolidated financial statements.

NOTE 13 - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure through September 25, 2025, the date the consolidated financial statements were available to be issued, and concluded that there were no subsequent events requiring adjustment or disclosure.