Audited Financial Statements

Hanger Charitable Foundation

For the Years Ended December 31, 2025 and 2024
With Independent Auditor's Report

Hanger Charitable Foundation

Audited Financial Statements

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Independent Auditor's Report

To the Board of Directors of
Hanger Charitable Foundation
Austin, Texas

Opinion

We have audited the accompanying financial statements of Hanger Charitable Foundation (the "Foundation") (a nonprofit 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 Hanger Charitable Foundation 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 the Foundation 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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, including omissions, 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 the Foundation'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 the Foundation'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.



Austin, Texas
October 05, 2026

Audited Financial Statements

Hanger Charitable Foundation

Statements of Financial Position

December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	**$ 1,522,857**	$ 1,537,416
Contributions receivable	**22,500**	42,501
Receivable - related party	**12,620**	-
Prepaid expenses	**35,159**	69,512
Total current assets	**1,593,136**	1,649,429
Total assets	**$ 1,593,136**	$ 1,649,429
Liabilities and Net Assets		
Current Liabilities:		
Payable - related party	**$ 125,912**	$ 75,816
Deferred revenue	**63,540**	223,250
Total current liabilities	**189,452**	299,066
Net Assets:		
Without donor restrictions	**1,403,684**	1,350,363
Total net assets	**1,403,684**	1,350,363
Total liabilities and net assets	**$ 1,593,136**	$ 1,649,429

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

Hanger Charitable Foundation

Statements of Activities

For the Years Ended December 31, 2025 and 2024

	2025	2024
Net assets without donor restricitons:		
Support and Revenues:		
Contributions	**$ 440,251**	$ 481,974
Investment earnings	**72,420**	66,464
Total support and revenues	**512,671**	548,438
Special events:		
Special events revenues	**724,221**	493,341
Special events expenses	**(223,653)**	(209,768)
Special events, net	**500,568**	283,573
Total support, revenues, and special events	**1,013,239**	832,011
Expenses:		
Program services	**869,152**	552,218
Management and general	**54,453**	24,762
Fundraising	**36,313**	31,405
Total expenses	**959,918**	608,385
Total change in net assets without donor restrictions	**53,321**	223,626
Net assets, beginning of the year	**1,350,363**	1,126,737
Net assets, end of the year	**$ 1,403,684**	$ 1,350,363

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

Hanger Charitable Foundation

Statement of Functional Expenses

For the Year Ended December 31, 2025

	Program Services			Supporting Services			
	Grants	Education Scholarship	Total Programs	Management and General	Direct Benefits to Donors	Fundraising	Total
Payroll	$ 195,916	$ 24,490	$ 220,406	$ 7,347	$ -	$ 17,142	$ 244,895
Grants	542,246	106,500	648,746	-	-	-	648,746
Venue rental	-	-	-	-	108,452	-	108,452
Professional fees	-	-	-	17,915	77,170	-	95,085
Other expense	-	-	-	15,740	23,429	19,171	58,340
Supplies	-	-	-	-	14,601	-	14,601
Database outsourcing	-	-	-	8,755	-	-	8,755
Bank fees	-	-	-	4,696	-	-	4,696
Total expenses	738,162	130,990	869,152	54,453	223,652	36,313	1,183,570
Less expenses included with revenues on the statements of activities	-	-	-	-	(223,652)	-	(223,652)
Total expenses included in the expenses section of the statements of activities	$ 738,162	$ 130,990	$ 869,152	$ 54,453	$ -	$ 36,313	$ 959,918
Percentage of total expenses	77%	14%	91%	5%	0%	4%	100%

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

Hanger Charitable Foundation

Statement of Functional Expenses

For the Year Ended December 31, 2024

	Program Services			Supporting Services			
	Grants	Education Scholarship	Total Programs	Management and General	Direct Benefits to Donors	Fundraising	Total
Payroll	$ 144,311	$ 18,039	$ 162,350	$ 5,412	$ -	$ 12,627	$ 180,389
Grants	289,868	100,000	389,868	-	-	-	389,868
Venue rental	-	-	-	-	109,040	-	109,040
Professional fees	-	-	-	8,650	77,942	-	86,592
Other expense	-	-	-	3,693	7,314	10,354	21,361
Supplies	-	-	-	-	15,472	-	15,472
Fundraising	-	-	-	-	-	8,424	8,424
Database outsourcing	-	-	-	4,713	-	-	4,713
Bank fees	-	-	-	2,294	-	-	2,294
Total expenses	434,179	118,039	552,218	24,762	209,768	31,405	818,153
Less expenses included with revenues on the statements of activities	-	-	-	-	(209,768)	-	(209,768)
Total expenses included in the expenses section of the statements of activities	$ 434,179	$ 118,039	$ 552,218	$ 24,762	$ -	$ 31,405	$ 608,385
Percentage of total expenses	72%	19%	91%	4%	0%	5%	100%

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

Hanger Charitable Foundation

Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	**$ 53,321**	$ 223,626
(Increase) decrease in operating assets:		
Contributions receivable	**20,001**	1,810
Receivable - related party	**(12,620)**	12,863
Prepaid expenses	**34,353**	(53,955)
Increase (decrease) in operating liabilities:		
Accounts payable	**-**	(7,157)
Payable - related party	**50,096**	20,264
Deferred revenue	**(159,710)**	78,250
Net cash provided by (used in) operating activities	**(14,559)**	275,701
Change in cash and cash equivalents	**(14,559)**	275,701
Cash and cash equivalents, beginning of the year	**1,537,416**	1,261,715
Cash and cash equivalents, end of the year	**$ 1,522,857**	$ 1,537,416

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

Hanger Charitable Foundation

Notes to Financial Statements

For the Years Ended December 31, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

The Hanger Charitable Foundation (the "Foundation") was founded in 2009 by Hanger, Inc. ("Hanger"), the nation's leading patient-care provider and distributor of orthotic, prosthetic, and rehabilitative solutions.

The mission of the Foundation is to support 501(c)(3) organizations that help people with physical challenges live life as fully as possible. The goals of the Foundation are to positively impact the lives of those in need, invest in the communities in which Hanger employees live and work, and engage Hanger employees in charitable efforts.

The mission and goals are achieved through monetary contributions, in-kind donations, and volunteerism. The Foundation deploys funds to organizations that benefit people with physical challenges in need in the United States with a focus on the following types of activities:

- Awareness and prevention of diseases that adversely affect physical ability (ex. diabetes, peripheral vascular disease, multiple sclerosis).
- Rehabilitation and support services for related illnesses or trauma (ex. stroke, sports injuries, combat related injuries).
- Patient advocacy initiatives focused on advancing policy changes that positively impact patients.
- Athletic programs and events for individuals with physical challenges.

Hanger's heritage of charitable giving dates back to the company's founding in 1861. For many years, Hanger clinicians and employees consistently and generously donated millions of dollars in free care and financial contributions to a variety of causes, including hardship cases in their own communities. In 2009, Hanger formalized and increased its philanthropic work by establishing the non-profit organization, the Hanger Charitable Foundation.

The Foundation was incorporated on September 16, 2008, in the State of Delaware. The Foundation was formally known as the "Hanger Ivan. R Sabel Foundation." During 2015, the Foundation changed its business name to the "Hanger Charitable Foundation". With the renaming, the focus of the Foundation changed from providing international overseas relief to supporting charitable organizations in the United States that help people with physical challenges live life as fully as possible.

Note 1 – Summary of Significant Accounting Policies (continued)

Program Services

Grants

Empowerment Grants: The Foundation provides annual grant opportunities for nonprofit organizations in the United States who meet our grant requirements. Since 2009, the Foundation has awarded over $5 million in grant funding to 214 nonprofit organizations sharing the Foundation's goals and mission to empower people with physical challenges to live life as fully as possible. Grants are typically $1,000 to $15,000. The Foundation offers signature grants to exemplary nonprofit organizations including Camp No Limits and So Every Body Can Move (a program of the Amputee Coalition). The grants are reviewed by a Grant Committee and a recommendation for funding is submitted to the Executive Board for final approval.

Global Missions Grants: Limb loss affects over a million people globally each year, impacting the quality of life and independence of millions worldwide. Addressing these challenges through global missions can provide essential support and resources to those in need. The Foundation is proud to dedicate funds to support clinicians and other technical support team members traveling to address these global challenges. In addition to the travel grants, the Foundation has provided grants for international organizations to either build or sustain their prosthetics healthcare and clinical training.

Education Scholarships

The Foundation has supported the Orthotics and Prosthetics (O&P) profession through scholarships since 2021, investing in the next generation of clinicians who bring passion and expanded access to patient care. Today, that commitment is carried forward through the John Daniel Shay Memorial Scholarship (Shay Scholarship). After a fierce battle with leukemia, John Daniel Shay, son of Hanger Clinic Manager Curi Poulin, passed away on December 13, 2023, at age 20. A dedicated scholar with a passion for mathematics and computer science, John excelled throughout his academic career. The Shay Scholarship supports students entering their 2nd year of an accredited O&P graduate program and seeks to identify individuals who share John's commitment to academic and personal growth. In addition, the Foundation's Lived Experience Scholarships are available for people with mobility challenges that are interested in joining the O&P profession.

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred.

Use of Estimates

The preparation of financial statements 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 revenues and expenses during the reporting periods. Actual results could differ from these estimates.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statements presentation follows the recommendations of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958). Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – These types of net assets are not subject to donor-imposed stipulations. This also includes net assets with Board designations for specific purposes, since these Board designations may be reversed by the Board of Directors at any time in the future.

Net assets with donor restrictions – These types of net assets are subject to donor-imposed stipulations, which limit their use by the Foundation, either permanently or temporarily, to a specific purpose and/or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions. The Foundation did not have any net assets with donor restrictions at December 31, 2025 and 2024.

Note 1 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Contributions Receivable

Contributions receivable are recognized as revenues when the donor's commitment is received. Pledges are recognized at the estimated present value of the future net cash flows, net of allowances. The Foundation has not set up an allowance for uncollectible pledges as of December 31, 2025 and 2024, because management estimates that the pledges are collectible, and write-offs are historically unusual and small.

Fair Value of Financial Instruments

The Foundation follows FASB ASC 820, *Fair Value Measurements and Disclosures*, which relates to the Foundation's financial assets and liabilities carried at fair value and the associated fair value disclosures. FASB ASC 820 defines fair value, expands related disclosure requirements, and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the measures of fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of inputs to fair value measurements – Level 1, meaning the use of quoted prices for identical instruments in active markets; Level 2, meaning the use of quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or are directly or indirectly observable; and Level 3, meaning the use of unobservable inputs.

The Foundation's financial instruments consisted principally of cash and cash equivalents, contributions receivable, receivable – related party, and payable – related party. The Foundation believes all of the financial instruments' recorded values approximate current market values, primarily because of the short-term maturity of those instruments.

Contributions

Contributions received are recorded as an increase in net assets without donor restrictions. All contributions are considered to be available for use without donor restriction unless specifically restricted by the donor. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

Note 1 – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the various promotional programs and other activities of the Foundation have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. Payroll costs are allocated based on estimated time spent by the employees for each function.

Federal Income Taxes

Hanger Charitable Foundation is a nonprofit corporation exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3), except to the extent of unrelated business income, if any.

The most significant tax positions of the Foundation are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management has determined that the Foundation had no UBIT for the years ended December 31, 2025 and 2024, and therefore no provision has been included in these financial statements for any Federal income tax liability. All significant tax positions have been considered by management and it has been determined that it is more likely than not that all positions would be sustained upon examination by taxing authorities.

The Foundation is required to file Form 990 (Return of Organization Exempt from Income Tax), which is subject to examination by the Internal Revenue Service (IRS) generally up to three years from the later of the original due date or the date the tax return was filed. The Forms 990 for the years ended December 31, 2024, 2023, and 2022 are open to examination by the IRS as of December 31, 2025.

Date of Management's Review

These financial statements considered subsequent events through October 05, 2026, the date the financial statements were available to be issued.

Note 2 – Concentration of Credit Risk

Financial instruments which potentially subject the Foundation to credit risk principally consisted of cash and cash equivalents. To minimize the risk, the Foundation places its temporary cash investments with high credit quality financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). Effective January 1, 2013, deposit insurance coverage by the FDIC changed to $250,000 per bank per entity for all interest bearing and non-interest bearing accounts. As of December 31, 2025 and 2024, the Foundation had $98 and $145,403, respectively, of uninsured cash balances. Securities are protected by the SIPC which currently protects brokerage accounts of each entity up to $500,000 in securities. Additional coverage is frequently offered for brokerage accounts for amounts in excess of the $500,000 SIPC limit. The Foundation's investments at times may exceed the insured coverages but limits the amount of credit exposure through diversification and restricting its investments to highly rated securities. The Foundation has not experienced any losses in such accounts in the past.

Note 3 – Related Party Transactions

The Foundation received funding from Hanger during the years ended December 31, 2025 and 2024. The contributions represented 15% and 19%, respectively, of the Foundation's total support and revenues for the years ended December 31, 2025 and 2024. As of December 31, 2025 and 2024, the Foundation had an outstanding receivable from Hanger totaling $12,620 and $0, respectively.

Hanger records all shared personnel expenses in Hanger's accounting records and then allocates the cost to the Foundation based on the personnel's allocation of time. The Foundation reimburses Hanger for all costs associated with the use of the employees including, but not limited to, salaries, payroll taxes, and employee benefits incurred by Hanger on behalf of the Foundation. As of December 31, 2025 and 2024, the Foundation had outstanding payables to Hanger totaling $125,912 and $75,816, respectively.

Note 4 – Contributions Receivable

The summary of contributions receivable as of December 31, 2025 and 2024 is as follows:

	2025	2024
Due in less than one year	**$ 22,500**	$ 42,501
Total	**$ 22,500**	$ 42,501

Note 5 – Contract Liabilities

At December 31, 2025, 2024, and 2023, the Foundation's contract liabilities consisted of the following:

	2025	2024	2023
Deferred Revenue:			
Event sponsorships	**$ 63,540**	$ 223,250	$ 145,000
Total	**$ 63,540**	$ 223,250	$ 145,000

Note 6 – Liquidity and Availability of Financial Assets

The Foundation's working capital and cash flows have seasonal variations during the year attributable to the timing of payments received for fundraisers and contributions.

The following reflects the Foundation's financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year of the statements of financial position date because of contractual or donor-imposed restrictions or internal Board designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Foundation's Board of Directors approves that action.

	2025	2024
Cash and cash equivalents	**$ 1,522,857**	$ 1,537,416
Contributions receivable collectible in less than one year	**22,500**	42,501
Receivable – related party collectible in less than one year	**12,620**	-
Total financial assets	**1,557,977**	1,579,917
With Board designations	**-**	-
With donor restrictions	**-**	-
Financial Assets Available to Meet Cash Needs For Expenditures Within One Year	**$ 1,557,977**	$ 1,579,917