



# Food For Thought

healing with food+love

*Financial Statements*

*Year Ended December 31, 2023*



**PISENTI & BRINKER** LLP  
Certified Public Accountants & Advisors

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## **Independent Auditor's Report**

To the Board of Directors  
Food For Thought

### **Opinion**

We have audited the financial statements of Food For Thought ("FFT"), which comprise the statement of financial position as of December 31, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FFT as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 FFT and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 FFT's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

## Independent Auditor's Report (continued)

### 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 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 financial statements.

In performing an audit in accordance with GAAS, 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 FFT'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 FFT'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.

A handwritten signature in blue ink that reads "Piseri & Brinker LLP". The signature is written in a cursive, flowing style.

Santa Rosa, California  
September 23, 2024

**Food For Thought  
Statement of Financial Position**

**December 31, 2023**

**Assets**

**Current assets**

Cash and cash equivalents	\$ 1,420,831
Grant receivables	295,284
Other receivables	110,152
Inventory	127,575
Prepaid expenses and other current assets	97,440

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Total current assets	2,051,282
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Right-of-use asset for operating leases, net	6,791
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Investments	4,033,178
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Property, equipment and improvements, net	4,465,329
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<b>Total assets</b>	<b>\$ 10,556,580</b>
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**Liabilities and net assets**

**Current liabilities**

Accounts payable	\$ 146,001
Accrued payroll liabilities	173,106
Deferred grant revenue	-
Operating lease liability	1,942

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Total current liabilities	321,049
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Operating lease liability	5,113
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Long-term debt	2,670,250
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<b>Total liabilities</b>	<b>2,996,412</b>
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**Net assets**

Without donor restriction	
Undesignated	4,202,012
Board-designated	1,400,000

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Total without donor restriction	5,602,012
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With donor restriction	1,958,156
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<b>Total net assets</b>	<b>7,560,168</b>
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<b>Total liabilities and net assets</b>	<b>\$ 10,556,580</b>
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See accompanying notes.

**Food For Thought  
Statement of Activities**

**Year Ended December 31, 2023**

	<b>Without donor restriction</b>	<b>With donor restriction</b>	<b>Total</b>
<b>Support, revenue, and other income</b>			
Contributions and legacy gifts	\$ 3,140,204	\$ 329,554	\$ 3,469,758
Federal grant revenue	1,077,624	-	1,077,624
Contributed non-financial assets	680,055	12,784	692,839
Investment income, net	494,979	-	494,979
Event revenue, net of \$172,200 in expense	233,287	-	233,287
Contract revenue	151,539	-	151,539
State and local grant revenue	161,325	-	161,325
Other income	65,932	-	65,932
Employee Retention Credit, net	37,714	-	37,714
<b>Total support, revenue, and other income</b>	<b>6,042,659</b>	<b>342,338</b>	<b>6,384,997</b>
Reclassification, net assets released from restriction	325,839	(325,839)	-
<b>Expenses</b>			
Program	3,522,272	-	3,522,272
Management and general	301,315	-	301,315
Fundraising	561,916	-	561,916
<b>Total expenses</b>	<b>4,385,503</b>	<b>-</b>	<b>4,385,503</b>
<b>Change in net assets</b>	<b>1,982,995</b>	<b>16,499</b>	<b>1,999,494</b>
<b>Net assets at beginning of year</b>	<b>3,619,017</b>	<b>1,941,657</b>	<b>5,560,674</b>
<b>Net assets at end of year</b>	<b>\$ 5,602,012</b>	<b>\$ 1,958,156</b>	<b>\$ 7,560,168</b>

See accompanying notes.

**Food For Thought  
Statement of Functional Expenses**

**Year Ended December 31, 2023**

	Programs							Total Program Services	Management and general	Fundraising	Total
	HIV Nutrition	Welcome Home	Infectious Disease	Oncology Nutrition	Full Belly	Community Supports	Bags of Love				
Salaries and wages	\$ 609,084	\$ 157,667	\$ 3,057	\$ 52,340	\$ 262,439	\$ 12,001	\$ 61,189	\$1,157,777	\$ 171,188	\$ 415,786	\$1,744,751
Purchased and donated food distributed	684,286	177,134	3,435	58,802	294,841	13,483	68,744	1,300,725	-	-	1,300,725
Subcontractors	217,854	56,394	1,093	18,721	93,868	-	21,886	409,816	-	-	409,816
Employee benefits	122,912	31,817	617	10,562	52,960	2,422	12,348	233,638	30,055	54,670	318,363
Payroll taxes	50,310	13,023	253	4,323	21,677	991	5,054	95,631	13,017	33,455	142,103
Professional fees	24,616	6,372	124	2,115	10,607	485	2,473	46,792	38,390	10,536	95,718
Depreciation	40,273	10,425	201	3,461	17,353	794	4,046	76,553	6,704	6,858	90,115
Occupancy	34,961	9,050	176	3,004	15,064	689	3,512	66,456	7,439	343	74,238
Office expense	23,222	6,011	116	1,995	10,006	458	2,333	44,141	6,208	14,348	64,697
Supplies	18,580	4,809	93	1,597	8,005	366	1,867	35,317	685	778	36,780
Insurance	2,252	583	12	194	970	44	226	4,281	23,390	-	27,671
Staff and volunteer recognition	9,968	2,580	51	857	4,295	196	1,001	18,948	1,839	2,092	22,879
Fees and licenses	1,491	386	8	128	643	29	150	2,835	18	16,283	19,136
Repairs and maintenance	8,891	2,302	45	764	3,831	175	893	16,901	894	1,944	19,739
Travel, meetings, and trainings	5,122	1,326	26	440	2,207	101	515	9,737	1,263	1,121	12,121
Advertising	1,401	363	7	120	604	28	141	2,664	225	3,359	6,248
Interest	32	8	-	3	14	-	3	60	-	343	403
	\$1,855,255	\$ 480,250	\$ 9,314	\$ 159,426	\$ 799,384	\$ 32,262	\$ 186,381	\$3,522,272	\$ 301,315	\$ 561,916	\$4,385,503

See accompanying notes.

**Food For Thought  
Statement of Cash Flows**

**Year Ended December 31, 2023**

	<b>Increase (decrease) in cash and cash equivalents</b>
<b>Cash flows from operating activities</b>	
Change in net assets	\$ 1,999,494
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	90,115
Noncash donations, stock	(28,902)
Noncash donations, food and nutrients	(580,881)
Donated food and nutrients distributed	580,881
Interest and dividends reinvested	(86,346)
Right-of-use asset for operating leases amortization	1,988
Net realized and unrealized gain on investments	(408,633)
(Increase) decrease in operating assets:	
Grant receivables	(187,314)
Other receivables	27,996
Inventory	(15,818)
Prepaid expenses and other current assets	(48,441)
Increase (decrease) in operating liabilities:	
Accounts payable	1,505
Accrued payroll liabilities	18,093
Deferred grant revenue	-
Operating lease liability	(1,848)
<b>Net cash provided by operating activities</b>	<b>1,361,889</b>
<b>Cash flows from investing activities</b>	
Purchase of property, equipment and improvements	(1,144,444)
Purchase of investments	(2,010)
Proceeds from sale of investments	94,815
<b>Net cash used in investing activities</b>	<b>(1,051,639)</b>
<b>Net increase in cash and cash equivalents</b>	<b>310,250</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,110,581</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,420,831</b>

See accompanying notes.



**Food For Thought**  
**Statement of Cash Flows (continued)**

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**Year Ended December 31, 2023**

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**Supplemental disclosure of cash flow information**

Cash paid during the year for interest	\$	403
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Cash paid for amounts included in the measurement of lease liabilities:

Operating cash outflows—payments on operating leases	\$	2,251
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**Noncash investing and financing activities**

Land and building financed with long-term debt	\$	2,670,250
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See accompanying notes.

**Year Ended December 31, 2023**

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**Note A. Nature of Activities**

Food For Thought (“FFT”) is a California nonprofit public benefit corporation whose mission is to foster health and healing with food and compassion. FFT was founded in 1988 amidst the AIDS epidemic to provide groceries to those who were living with and dying from HIV/AIDS. In 2014, FFT expanded its eligibility to include residents of Sonoma County, California who are affected by a wide range of medical conditions and are at risk of malnutrition.

In 2023, FFT served more than 4,000 clients who were affected by one or more of the following serious medical conditions and at great risk of malnutrition:

- Infectious diseases
- Pregnancy
- HIV
- Heart disease
- Recent discharge from the hospital or care facility
- Diabetes
- Kidney disease
- Cancer
- Housing insecurity

The following programs are reflected in the statement of activities:

**HIV Nutrition Program** – The HIV Nutrition Program provides medically-tailored weekly groceries for individuals with positive HIV diagnoses, plus household members, provided as long as needed.

**Welcome Home Program** – Three months of medically-tailored groceries and/or meals following an in-patient hospital or mental health hospital stay are offered to individuals and household members under the Welcome Home Program.

**Infectious Disease Program** – Under the Infectious Disease Program, medically-tailored groceries are delivered weekly to patients with a positive COVID-19 test, tuberculosis or Monkeypox diagnosis, or patients who are debilitated by Long COVID, and their household members. Duration of program eligibility varies by need.

**Oncology Nutrition Program** – Patients undergoing cancer treatment, plus household members, receive three months of medically-tailored groceries or meals under the Oncology Nutrition Program. Program eligibility may be extended based on the course of treatment.

**Full Belly Program** – The Fully Belly Program offers medically-tailored groceries and meals for expecting clients at risk for malnutrition and their household, continuing until the baby reaches 3 months of age.

**Community Supports Program** – The Community Supports Program provides twelve weeks of medically-tailored groceries and meals for patients with Medi-Cal, provided they have medical justification for the services. Duration of services may be extended depending on a patient’s on medical condition(s).

**Bags of Love** – The Bags of Love program is designed to provide ready-to-eat meals to patients experiencing homelessness and serious mental and/or physical health conditions. FFT partners with local health centers to distribute the bags of food onsite at their clinics and offices.

**Year Ended December 31, 2023**

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**Note A. Nature of Activities** (continued)

Clients receive weekly orders that include groceries, fresh fruit and vegetables, high-quality proteins, healthy grains, vitamins, supplements and medically-tailored prepared meals. FFT offers a wide range of healthy choices that are both tailored to the client's unique medical condition and are also culturally relevant. Each order provides food for 21 meals per week per person, including clients, and in many cases, dependents and other household members. Food is delivered to any client who cannot travel to the food bank, including homebound and homeless clients. One-on-one nutrition counseling with a registered dietician is also offered.

FFT's services are provided free of charge and improve client health, decrease medical expenses, and provide a critical service to the Sonoma County community.

**Note B. Summary of Significant Accounting Policies**

*Cash and Cash Equivalents*

Cash and cash equivalents include cash in banks and money market accounts. FFT considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents, except when a restriction is imposed that limits the investment's use to long-term.

*Grants and Other Receivables*

Grants and other receivables represent funds due from federal, state, and local government agencies and healthcare organizations for various programs. Interest is not charged on past-due receivable balances. FFT uses the allowance method to reserve for uncollectible accounts. Management believes receivables recorded as of December 31, 2023, will be fully collected. Accordingly, no allowance for doubtful accounts is recorded.

*Investments*

Investments, which comprise mutual funds and exchange-traded funds, are carried at fair value. Unrealized gains and losses are included in the statement of activities. Investment earnings restricted by a donor are reported as increases in net assets without donor restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the earnings are recognized.

*Inventory*

Inventory consists of food and nonfood grocery items, both donated and purchased. Purchased inventory is stated at the lower of cost or net realizable value. The value of donated food is determined by considering average purchase prices of similar items at the time of donation. Management has determined an allowance for obsolete inventory would not be material to the financial statements.

**Year Ended December 31, 2023**

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**Note B. Summary of Significant Accounting Policies (continued)**

*Property, Equipment and Improvements*

Property, equipment and improvements are stated at cost. Depreciation is computed on the straight-line method over useful lives ranging from five to 25 years. Donated property is recorded at the estimated fair value at the date of receipt. Such donations are reported as without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as donor restricted.

*Revenue Recognition and Contributions*

FFT has concluded that revenue from federal and state contracts represent conditional contributions, as defined by Accounting Standards Update 2018-08. As such, revenue on these contracts is generally recognized as contract-related expenditures are made. Contract-related expenditures are considered the best available measure of performance under the terms of the contract.

Contributions which are not deemed to contain conditions, are recognized when received or upon notice of a commitment of the contribution to be made. These contributions are reported as increases in net assets without donor restriction unless use of the contributed assets are specifically restricted by the donor. FFT reports gifts and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restriction until the payment is due unless the contribution is clearly intended to support activities of the current year or is received with permanent donor restrictions.

*Event Revenue*

Event revenue is recognized when the event occurs and includes both an exchange and a contribution component. The portion of the gross proceeds paid by the attendee, representing payment for the direct cost of the benefits received by the attendee at the event, is the exchange component. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at events is measured at the actual cost to FFT. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. Event revenue is reported in the statement of activities net of direct costs.

**Year Ended December 31, 2023**

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**Note B. Summary of Significant Accounting Policies (continued)**

*Contributed Non-Financial Assets*

In-kind donations are reported as contributions without donor restrictions unless explicit donor stipulations specify how the donated assets must be used or disposed of. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as contributions with donor restrictions. Absent explicit donor stipulations about how those long-lived assets must be maintained, FFT reports expirations of donor restrictions as net assets without donor restrictions when the donated assets are received or when acquired or constructed assets, funded by donor contributions, are placed into service. Fair value is determined as of the date of the in-kind donation.

*Donated Services*

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at fair value in the year received. Many individuals volunteer their time and perform a variety of tasks that assist FFT in support of its programs and fundraising activities; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. FFT received approximately 20,000 volunteer hours during the year ended December 31, 2023.

*Income Taxes*

FFT is a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, FFT is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption, commonly referred to as unrelated business income. No income tax provision has been recorded for the year ended December 31, 2023, as management determined that FFT had no unrelated business income.

FFT is subject to "Accounting for Uncertainty in Income Taxes" under Accounting Standards Codification ("ASC") 740, *Income Taxes*. ASC 740 requires the evaluation of tax positions taken or expected to be taken in FFT's tax returns and does not allow recognition of tax positions that do not meet a "more-likely-than-not" threshold of being sustained by the applicable tax authority. FFT does not believe it has taken any tax positions that would not meet this threshold. FFT's policy is to reflect interest and penalties related to uncertain tax positions as part of income tax expense, when and if they become applicable. FFT's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, federal income tax returns have a three-year statute of limitations, and state income tax returns have a four-year statute of limitations.

**Year Ended December 31, 2023**

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**Note B. Summary of Significant Accounting Policies (continued)**

*Functional Expense Allocation*

FFT allocates operational costs between program, management and general, and fundraising by utilizing a cost allocation policy that is updated and reviewed annually. FFT applies several methods for allocating costs. Expenses that can be identified with a program are charged directly to that program as direct costs. Costs common to multiple functions have been allocated among the various functions considering employee time and effort and facilities square footage. Management and general expenses include those costs that are not directly identifiable with a program, but which provide for the overall support and direction of FFT. These costs are allocated to the functions using a base that results in an equitable distribution. The allocation is reflected in the statement of functional expenses.

*Net Assets*

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of FFT and changes therein are classified and reported as follows:

*Without donor restriction* – Net assets that are not subject to donor-imposed restrictions. These also may be designated for specific purposes by action of the Board of Directors.

*With donor restriction* – Net assets subject to donor-imposed stipulations that may or will be met by actions of FFT to meet the stipulations or that become unrestricted at the date specified by the donor or net assets subject to donor-imposed stipulations that are maintained permanently by FFT. The income from these assets is available for either general operations or specific programs as specified by the donor.

*Net assets released from restriction* – Net assets with donor restriction are released to net assets without donor restriction when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

*Advertising Expense*

FFT expenses advertising costs as they are incurred. The amount of advertising expensed during the year ended December 31, 2023 amounted to \$6,248.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions based on management's knowledge and experience. Those estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue, support, and expenses. The use of management's estimates primarily relates to the value of non-purchased food, the collectability of receivables, depreciable lives of property, equipment, and improvements, and the allocation of costs by program and function. Actual results could differ from those estimates.

**Year Ended December 31, 2023**

**Note B. Summary of Significant Accounting Policies (continued)**

*Endowment Funds*

Effective January 1, 2009, the State of California adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, FFT classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment, and (c) additions to the permanent endowment in accordance with donor directions. The remaining portion of donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by FFT in a manner consistent with the standard of prudence prescribed by UPMIFA.

*Spending policy* – In accordance with UPMIFA, FFT considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of FFT and the endowment funds
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of FFT
- The investment policies of FFT

FFT's spending policy for endowment funds is designed so that earnings from donor restricted funds available for distribution are calculated based on a blended approach, which uses a percentage of prior year's spending adjusted for inflation and a percentage of the current year beginning portfolio value. The spending policy is reviewed annually to ensure that earnings and accumulated appreciation are adequate to sustain the distribution. In no event shall the spending rate percentage be higher than 7% unless specially authorized by a two-thirds majority vote of the governing board.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). Net unrealized losses on permanently restricted endowment funds are classified as a reduction to net assets without donor restriction until such time as the fair value equals or exceeds book value. As of December 31, 2023, FFT had no endowment funds with deficiencies.

**Note C. Investments**

Investments stated at fair value consist of the following as of December 31, 2023:

Mutual funds	\$	3,061,836
Exchange-traded funds		971,342
		\$ 4,033,178

**Year Ended December 31, 2023**

**Note C. Investments (continued)**

Investment returns as reflected in the statement of activities for the year ended December 31, 2023, include the following:

Interest and dividends	\$	86,346
Realized and unrealized gains, net		423,673
		510,019
Less: investment management fees		(15,040)
		494,979

**Note D. Property, Equipment and Improvements**

Property, equipment and improvements consist of the following as of December 31, 2023:

Buildings and improvements	\$	3,213,569
Land		1,526,226
Equipment		338,831
Software		195,789
Vehicles		59,296
Furniture and fixtures		14,235
		5,347,946
Accumulated depreciation		(882,617)
		\$ 4,465,329

Depreciation expense for the year ended December 31, 2023 amounted to \$90,115.

**Note E. Long-Term Debt**

In connection with the purchase of land and building during the year ended December 31, 2023, FFT entered into a debt agreement with a financial institution with principal borrowings in the amount of \$2,670,250. Interest-only payments are due monthly at 7.15% per annum through December 2028, with required principal and interest payments commencing thereafter through maturity in December 2043. The instrument is secured by the real property purchased under the agreement.

Coinciding with the purchase, FFT began a capital campaign to raise funds in support of the new operating facility which will help service the related debt.



**Year Ended December 31, 2023**

**Note F. Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are described below:

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**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

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**Level 2** Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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FFT invests in mutual funds and exchange-traded funds for which fair value is determined based upon quoted prices for identical instruments in active markets.

The following table sets forth by level within the fair value hierarchy, FFT's assets measured at fair value at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Investments at fair value				
Mutual funds	\$ 3,061,836	\$ -	\$ -	\$ 3,061,836
Exchange-traded funds	971,342	-	-	971,342
Investments at fair value	\$ 4,033,178	\$ -	\$ -	\$ 4,033,178

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. During the year ended December 31, 2023, there were no changes to FFT's valuation techniques that had, or are expected to have, a material impact on the financial statements.

**Year Ended December 31, 2023**

**Note G. Net Assets**

Net assets with donor restriction represent amounts received or committed with donor restrictions, which have not yet been expended for their designated purpose (purpose-restricted) or amounts for general use in future periods (time restricted). Net assets consisted of the following as of December 31, 2023:

With donor restriction:

Perpetual in nature - endowment fund	\$ 1,607,032
Subject to passage of time and purpose restrictions	18,750
Subject to expenditure for specific purpose:	
Capital campaign	12,784
Specific programs	251,390
Specific purchases	67,700
Specific locations	500

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Total net assets with donor restriction	1,958,156
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Without donor restriction:

Board-designated:	
Operating reserve	1,000,000
Capital improvement reserve	300,000
Maintenance reserve	100,000

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1,400,000

Undesignated	4,198,262
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Total net assets without donor restriction	5,598,262
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Total net assets	\$ 7,556,418
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During the year ended December 31, 2023, net assets were released from donor restriction as follows:

Subject to passage of time and purpose restrictions	\$ 194,933
Satisfaction of purpose restrictions:	
Specific programs	126,591
Specific programs and locations	4,315

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Total net assets released from restriction	\$ 325,839
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**Year Ended December 31, 2023**

**Note H. Endowment Funds**

Changes in endowment assets for the year ended December 31, 2023 were as follows:

	Without donor restriction	With donor restriction	Total
Balance, January 1, 2023	\$ 325,862	\$ 1,605,022	\$ 1,930,884
Interest and dividends	49,000	-	49,000
Realized and unrealized gains, net	245,378	-	245,378
Investment management fees	(7,895)	-	(7,895)
Distribution	(94,815)	-	(94,815)
Contribution	-	2,010	2,010
<b>Balance, December 31, 2023</b>	<b>\$ 517,530</b>	<b>\$ 1,607,032</b>	<b>\$ 2,124,562</b>

**Note I. Contributed Nonfinancial Assets**

Contributed nonfinancial assets recognized in the statement of activities consisted of the following for the year ended December 31, 2023:

		Program utilization	Donor restrictions	Valuation techniques and inputs
Food and nutrients	\$ 580,881	Food and nutrients	N/A	Value based on pricing of similar items at time of donation
Equity stock	28,902	N/A	\$12,784 restricted for capital campaign	Value based on quoted market prices on date of contribution
Supplies	8,000	N/A	N/A	Value based on quoted market prices on date of contribution
Event facilities	75,056	N/A	N/A	Valued at current rate for similar events
	<b>\$ 692,839</b>			

**Year Ended December 31, 2023**

**Note J. Liquidity**

FFT operates with a balanced budget and anticipates covering its general expenditures with existing working capital and by maintaining and expanding relationships with supporters and funders who have provided donations without restrictions. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2023:

Cash and cash equivalents	\$ 1,420,831
Grants and other receivables	405,436
Investments	4,033,178
	5,859,445
Less donor imposed purpose restrictions unavailable for general expenditure	1,958,156
	5,859,445
Funds available to meet expenditures within one year with Board's approval	\$ 3,901,289
	3,901,289
Less funds with Board designation	1,400,000
	2,501,289
Funds available to management to meet expenditures within one year	\$ 2,501,289
	2,501,289

**Note K. Employee Retention Credit**

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020 and the subsequent extension of the CARES Act, FFT was eligible for a refundable Employee Retention Credit (“ERC”) subject to certain criteria. FFT filed for a \$378,346 ERC during the year ended December 31, 2023, for costs incurred between April 2020 through June 2021. Management has evaluated the likelihood that the ERC will be fully realized and has concluded income should be recorded upon receipt to mitigate the risk of FFT’s claims being denied or expiration of the ERC program. FFT received \$69,318, plus interest, under the ERC during the year ended December 31, 2023. Proceeds from the ERC are shown net of costs in the amount of \$36,000, related to the application process, on the statement of activities.

**Note L. Pension Plan**

FFT provides a defined contribution pension plan under Section 403(b) of the Internal Revenue Code. The plan is available to eligible employees upon hire. Eligible employees may make contributions to the plan up to the maximum allowed. The plan allows for matching contributions to eligible employees upon completion of two months of service, calculated using a discretionary formula based on participants’ eligible compensation and elective deferrals during a plan year. Matching contributions amounted to \$79,402 for the year ended December 31, 2023.

**Year Ended December 31, 2023**

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**Note M. Concentrations**

FFT had one donor that provided 31% of total revenues and one grantor that provided 15% of total revenues for the year ended December 31, 2023. As of December 31, 2023, no amounts were receivable from the donor and the receivable balance due from the grantor was \$156,419.

**Note N. Risks and Uncertainties**

FFT receives significant assistance from numerous government agencies in the form of contracts and grants. Any interruption of these funding sources could result in a significant impact on FFT's operations. Expenditures of these funds require compliance with the agreements and are subject to audit. Any disallowed expenditures resulting from such audits become a liability of FFT. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of FFT as of December 31, 2023.

*Deposit Risk*

At various times during the year ended December 31, 2023, FFT had on deposit with financial institutions cash held in demand accounts in excess of the \$250,000 Federal Deposit Insurance Corporation insurance limit. FFT has not experienced any losses related to these balances and management believes the risk to be minimal.

**Note O. Subsequent Events**

FFT evaluated subsequent events through September 23, 2024, the date which the financial statements were available to be issued.