

Food Literacy Center

Sacramento, California

Financial Statements and Independent Auditor's Report

For the Year Ended December 31, 2024

*With Summarized Comparative Financial Information
For the Year Ended December 31, 2023*

Food Literacy Center
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Table of Contents

	<u>Page</u>
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	5
Statement of Activities.....	6
Statement of Functional Expenses	7
Statement of Cash Flows.....	8
Notes to the Financial Statements	11

This page intentionally left blank.

**INDEPENDENT AUDITOR'S REPORT**www.pungroup.cpa

To the Board of Directors
of Food Literacy Center
Sacramento, California

Report on the Audit of the Financial Statements***Opinion***

We have audited the accompanying financial statements of Food Literacy Center (the "Center") (a California nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Center as of December 31, 2024, and the changes in its net assets, its functional expenses, 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. 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 Center 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 the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center'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 Center'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.

Report on Summarized Comparative Information

We have previously audited the Center's financial statements for the year ended December 31, 2023, and we expressed an unmodified opinion on those financial statements in our report dated August 16, 2024. The summarized comparative information presented with the financial statements herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The PwC Group, LLP

Sacramento, California
August 11, 2025

FINANCIAL STATEMENTS

This page intentionally left blank.

Food Literacy Center
Statement of Financial Position
December 31, 2024

(With Comparative Financial Information as of December 31, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 1,470,172	\$ 1,628,320
Donated securities (held for sale)	-	5,281
Accounts receivable	3,620	35,275
Contributions receivable, net	1,461,019	1,324,713
Prepaid expenses	8,118	-
Property and equipment, net	95,213	28,226
Total assets	\$ 3,038,142	\$ 3,021,815
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 12,390	\$ 12,320
Accrued expenses	87,291	57,853
Refundable advance	-	9,484
Total liabilities	99,681	79,657
Net assets:		
Without donor restrictions:		
Board-designated for operating reserves	996,000	834,125
Board-designated for capital assets	20,000	20,000
Board-designated for maintenance	20,000	20,000
Undesignated	757,089	493,048
Total net assets without donor restrictions	1,793,089	1,367,173
With donor restrictions:		
Purpose-restricted	1,045,991	1,453,872
Time-restricted for future periods	99,381	121,113
Total net assets with donor restrictions	1,145,372	1,574,985
Total net assets	2,938,461	2,942,158
Total liabilities and net assets	\$ 3,038,142	\$ 3,021,815

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

Food Literacy Center
Statement of Activities
For the Year Ended December 31, 2024
(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>	<u>2023 Total</u>
Revenues:				
Support and other revenue:				
Private grants and contributions	\$ 840,538	\$ 45,761	\$ 886,299	\$ 627,284
Oak Park Farmer's Market revenue	297,518	-	297,518	156,419
Program services revenue (other)	205,030	-	205,030	162,055
Contributed nonfinancial assets	68,387	-	68,387	40,485
Special events revenue	59,424	-	59,424	48,935
Less: Cost of direct benefits to donors	(6,837)	-	(6,837)	(11,795)
Interest and other income	15,159	-	15,159	12,719
Total support and other revenue	1,479,219	45,761	1,524,980	1,036,102
Net assets released from restrictions	475,374	(475,374)	-	-
Total revenue	1,954,593	(429,613)	1,524,980	1,036,102
Expenses:				
Program services:				
Food Literacy program	1,026,422	-	1,026,422	974,534
Oak Park Farmers Market	253,221	-	253,221	108,421
Total program services	1,279,643	-	1,279,643	1,082,955
Supporting services:				
Management and general	113,436	-	113,436	125,481
Fundraising	135,598	-	135,598	111,457
Total supporting services	249,034	-	249,034	236,938
Total expenses	1,528,677	-	1,528,677	1,319,893
Changes in net assets	425,916	(429,613)	(3,697)	(283,791)
Net assets:				
Beginning of year	1,367,173	1,574,985	2,942,158	3,225,949
End of year	\$ 1,793,089	\$ 1,145,372	\$ 2,938,461	\$ 2,942,158

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

Food Literacy Center
Statement of Functional Expenses
For the Year Ended December 31, 2024
(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

	Program Services		Supporting Services			
	Food Literacy Program	Oak Park Farmers Market	Management and General	Fundraising	2024 Total	2023 Total
Expenses:						
Personnel expenses:						
Salaries and wages	\$ 510,737	\$ 117,849	\$ 39,455	\$ 75,405	\$ 743,446	\$ 687,089
Employee benefits	34,827	18,933	2,690	5,142	61,592	64,019
Payroll taxes	32,663	19,055	2,524	4,822	59,064	52,408
Staff development	26,247	109	2,027	3,875	32,258	20,162
Workers' compensation insurance	9,983	5,824	771	1,474	18,052	4,055
Total personnel	614,457	161,770	47,467	90,718	914,412	827,733
Bank and payroll charges	-	-	-	3,962	3,962	4,284
Depreciation	11,653	-	393	-	12,046	3,462
Donated facilities	161,789	-	1,830	3,499	167,118	163,047
Donated food, supplies, and services	60,536	-	105	7,746	68,387	40,485
Insurance	5,602	-	432	827	6,861	3,340
Meetings	1,763	-	137	260	2,160	3,304
Miscellaneous	1,212	-	148	63	1,423	1,172
Occupancy	3,474	-	268	513	4,255	4,646
Office supplies	13,868	-	1,072	4,087	19,027	4,944
Professional fees	48,865	2,800	57,239	7,722	116,626	101,724
Printing and postage	2,211	-	155	9,511	11,877	14,911
Program expenses	77,259	88,651	-	-	165,910	111,741
Software and website	9,509	-	3,449	5,217	18,175	17,135
Telecommunications	1,079	-	83	159	1,321	201
Travel and meals	7,669	-	235	505	8,409	12,748
Utilities	5,476	-	423	809	6,708	5,016
Total expenses	\$ 1,026,422	\$ 253,221	\$ 113,436	\$ 135,598	\$ 1,528,677	\$ 1,319,893

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

Food Literacy Center
Statement of Cash Flows
For the Year Ended December 31, 2024
(With Comparative Financial Information for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ (3,697)	\$ (283,791)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	12,046	3,462
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Donated securities (held for sale)	5,281	(5,281)
Accounts receivable	31,655	(35,275)
Contributions receivable, net	(136,306)	321,033
Prepaid expenses	(8,118)	-
Increase (decrease) in liabilities:		
Accounts payable	70	10,234
Accrued expenses	29,438	8,808
Refundable advance	(9,484)	9,484
Net cash provided by (used in) operating activities	<u>(79,115)</u>	<u>28,674</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(79,033)	(10,969)
Net cash provided by (used in) investing activities	<u>(79,033)</u>	<u>(10,969)</u>
Net change in cash and cash equivalents	(158,148)	17,705
Cash and cash equivalents:		
Beginning of year	1,628,320	1,610,615
End of year	<u>\$ 1,470,172</u>	<u>\$ 1,628,320</u>

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

NOTES TO THE FINANCIAL STATEMENTS

This page intentionally left blank.

Food Literacy Center
Notes to the Financial Statements
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Note 1 – Nature of the Organization

Food Literacy Center (the “Center”) of Sacramento, California is an independent, not-for-profit organization that was incorporated on November 16, 2011. Their stated mission is to inspire kids to eat their vegetables. The Center teaches children in low-income elementary schools cooking, nutrition, gardening, and active play to improve the local community’s health, environment, and economy.

The Center’s goals include reducing childhood obesity and improving healthy eating habits among low-income children, increasing environmental stewardship, and supporting community development that sustains healthy food choices in communities of highest need. Additionally, the Center aims for kids to have fun and develop a love for healthy food that creates a lifetime of healthy habits.

The Oak Park Farmers Market, hosted by the Center, operates every Saturday from April to November at McClatchy Park in Sacramento. Serving 1,500 visitors weekly, it addresses local food deserts by offering fresh produce from small, diverse farms. The market supports low-income families by matching EBT (food stamps) sales up to \$20, aligning with the Center's mission to promote healthy eating and community health. Since becoming the market's official nonprofit home in 2023, the Center has provided cooking demonstrations and family programs that further these goals.

The Center is primarily funded through government grants, private foundations individual contributions, and program-service fees.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) where revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Under FASB ASU 2016-14, the Center is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Center’s reviewed financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Food Literacy Center
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Center considers all financial instruments purchased with an original maturity of three months or less, as well as immediate cash held for deposit, to be cash equivalents.

Accounts Receivable and Allowance for Credit Losses

The Center provides service-learning programs throughout the year to students in the Sacramento, CA region. Customers are invoiced monthly for work done in that applicable month. The Center has tracked historical loss information for its accounts receivable and compiled historical credit loss percentages for different aging categories (current, 1–30 days past due, 31–60 days past due, 61–90 days past due, and more than 90 days past due). Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at December 31, 2024 and 2023 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, as of December 31, 2024 and 2023, there was no allowance for credit losses.

Contributions Receivable

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Based on historical experience, an assessment of economic conditions, and a review of subsequent collections, management expects all such contributions to be collectible. Accordingly, an allowance for uncollectible contributions has not been established as of December 31, 2024 and 2023.

Property and Equipment

Property and equipment valued at over \$5,000 are carried at cost, if purchased, or at estimated fair value on the date contributed, if donated, less accumulated depreciation. The Center's policy is to provide for depreciation using the straight-line method over the estimated useful life of each type of asset ranging from 5 to 7 years.

If donors stipulate the period of time during which the assets must be used, the contributions are recorded as support with donor restrictions, and released as restrictions expire. In the absence of such stipulations, contributions of property and equipment and gifts of cash restricted for the acquisition of property and equipment, are recorded as support without donor restrictions when the assets are placed in service. For the years ended December 31, 2024 and 2023, the Center received no donated property or equipment.

Maintenance and repairs are charged to expense when incurred. Additions and major renewals are capitalized. When assets are retired or otherwise disposed of the cost or donated value and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in other revenues (expenses) for the period.

Food Literacy Center
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Note 2 – Summary of Significant Accounting Policies (Continued)

Net Assets

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

- *Net Assets without Donor Restrictions:* Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. From time-to-time, the board of directors may earmark net assets from this category.
- *Net Assets with Donor Restrictions:* Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

All contributions are considered available for general use, unless specifically restricted by donor or subject to other legal restrictions

Revenue and Revenue Recognition

The Center recognizes revenue from service-learning programs during the year in which the related services are provided to students. The performance obligation of delivering service-learning activities is simultaneously received and consumed by the participants; therefore, the revenue is recognized ratably over the course of the program period. Any amounts received prior to the commencement of the service-learning activities are deferred to the applicable period.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Center's revenue is derived from cost-reimbursable government and foundation contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures have been incurred in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. As of December 31, 2024 and 2023, the Center has received cost-reimbursable grants totaling \$1,393,050 and \$1,064,202, respectively, that have not been recognized because qualifying expenditures have not yet been incurred.

Special event revenue is comprised of an exchange element based upon the direct benefits donor receive and a contribution element for the difference. Special event revenue is recognized equal to the fair value of direct benefits to donors when the event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

Food Literacy Center
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Note 2 – Summary of Significant Accounting Policies (Continued)

Donated Securities

Donated securities are recorded at fair value on the date of donation and are held for sale. Thereafter, these securities are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported as other income in the statement of activities and consists of realized capital gains and losses, less any related external expenses.

Contributed Nonfinancial Assets

Contributed nonfinancial assets include donated professional services which are recorded at the respective fair values of the goods or services received. The Center does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP. Contributed goods are recorded at fair value at the date of donation.

Functional Allocation of Expenses

The costs of providing the program services and other activities have been detailed in the statement of functional expenses and are summarized on a functional basis in the statement of activities. Program and supporting services are charged with their direct expenses when applicable. Certain categories of expenses are attributed to both program and supporting services, therefore, expenses require allocation on a reasonable basis that is consistently applied. The Center's allocated expenses consist of donated services which are evaluated based on the nature of the service provided.

Income Tax Status

The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and related California code sections. However, we are subject to income taxes from activities unrelated to our tax-exempt purposes, unless that income is otherwise excluded by the IRC. The Center is considered a public charity and has been classified as an organization that is not a private foundation under IRC Section 509(a)(2).

Management has processes presently in place to ensure maintenance of the Center's tax-exempt statuses; to identify and report unrelated business income; to determine the filing and tax obligations for which the Center has nexus; and to identify and evaluate other matters that may be considered tax positions. Management has evaluated the tax positions and related income tax contingencies and do not believe that any material uncertain tax positions exist that require recognition or disclosure in the financial statements.

Use of Estimates

In preparing financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could vary from those estimates under different assumptions or conditions.

Food Literacy Center
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Note 2 – Summary of Significant Accounting Policies (Continued)

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and equivalents with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Center has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions are due from government agencies and foundations supportive of the mission. Investments are made by the Treasury Committee whose performance is monitored by the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the board of directors believes that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Note 3 - Liquidity and Availability

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, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 1,470,172	\$ 1,628,320
Donated securities (held for sale)	-	5,281
Accounts receivable	3,620	35,275
Contributions receivable, net	415,028	87,568
	<u>1,888,820</u>	<u>1,756,444</u>
Less: financial assets unavailable for general expenditures within one year, due to:		
Restrictions by donors for a specific purpose	-	(250,000)
Designated by the board of directors for reserves	(1,036,000)	(874,125)
	<u>(1,036,000)</u>	<u>(1,124,125)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 852,820</u></u>	<u><u>\$ 632,319</u></u>

Board-designated reserves can be made available if necessary. The Center maintains a liquid cash balance in checking and money market accounts in an amount necessary to meet our anticipated expenditures for at least the next 60 days. Cash in excess of this may be invested in short-term investments.

Food Literacy Center
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Note 4 – Fair Value of Donated Securities

In accordance with U.S. GAAP, the Center uses the following prioritized input levels to measure fair value. The input levels used for valuing instruments are not necessarily an indication of risk.

- Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.
- Level 2 – Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.
- Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The Center held no donated securities as of December 31, 2024.

Donated securities held for sale are reported at fair value and consisted of the following as of December 31, 2023.

2023	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 5,281	\$ 5,281	\$ -	\$ -
Total donated securities	<u>\$ 5,281</u>	<u>\$ 5,281</u>	<u>\$ -</u>	<u>\$ -</u>

Note 5 – Contributions Receivable

Contributions receivable are expected to be collected as follows as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Unconditional promises to give	\$ 415,028	\$ 122,568
Promised use of facilities	1,242,281	1,409,399
Less: unamortized discount	<u>(196,290)</u>	<u>(207,254)</u>
Total contributions receivable, net	<u>\$ 1,461,019</u>	<u>\$ 1,324,713</u>

As of December 31, 2024 and 2023, collection of the contributions receivable balance, excluding the promised use of facilities, was expected as follows:

	<u>2024</u>	<u>2023</u>
Amounts due in:		
Less than one year	\$ 415,028	\$ 87,568
One to five years	<u>-</u>	<u>35,000</u>
Total unconditional promises to give	<u>\$ 415,028</u>	<u>\$ 122,568</u>

A discount rate of 3% and applies to the promised use of facilities.

A discount rate of 6% applies to all other contributions receivable.

Food Literacy Center
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Note 5 – Contributions Receivable (Continued)

Promised Use of Facilities

In October 2021, the Center executed a ten-year lease agreement with the Sacramento City Unified School District whereby the Center receives the use of a building, parking lot, and farm area (facilities) in Sacramento, California for no cost. The lease term may be extended by the written mutual consent of the parties.

Organizations that receive the free or discounted use of facilities, in which the donor retains legal title, for a specified period, should report these promises as contributions receivable and as donor restricted support that increases net assets restricted by donors. Expenses should be recognized in the periods the facilities are used. Therefore, the Center recognized contributions of \$9,234 and \$4,384 for the free use of facilities during the years ended December 31, 2024 and 2023, respectively.

Contributions receivable are amortized as donated facilities expense on a straight line basis over the respective terms. The Center recognized donated facilities expenses of \$167,118 and \$163,045 for the years ended December 31, 2024 and 2023, respectively.

Note 6 – Property and Equipment

Property and equipment consisted of the following as of December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 39,065	\$ 19,538
Leasehold improvements	73,070	13,564
Less: accumulated depreciation	<u>(16,922)</u>	<u>(4,876)</u>
Total property and equipment, net	<u><u>\$ 95,213</u></u>	<u><u>\$ 28,226</u></u>

Depreciation expense was \$12,046 and \$3,462 for the years ended December 31, 2024 and 2023, respectively.

Note 7 – Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for a specified purpose:		
Promised use of facility space	\$ 1,045,991	\$ 1,203,872
Floyd Farm	<u>-</u>	<u>250,000</u>
	1,045,991	1,453,872
Subject to the passage of time	<u>99,381</u>	<u>121,113</u>
Total net assets with donor restrictions	<u><u>\$ 1,145,372</u></u>	<u><u>\$ 1,574,985</u></u>

Food Literacy Center
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Note 7 – Net Assets with Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Expiration of purpose restrictions	\$ 407,881	\$ 418,664
Expiration of time restrictions	<u>67,493</u>	<u>123,813</u>
Total net assets released from restrictions	<u><u>\$ 475,374</u></u>	<u><u>\$ 542,477</u></u>

Note 8 – Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the statement of activities are as follows for the years ended December 31, 2024 and 2023:

2024	Food Literacy Program	Management and General	Fundraising	Total
Donated food	\$ 56,746	\$ -	\$ -	\$ 56,746
Donated services	-	105	7,746	7,851
Donated supplies	<u>3,790</u>	<u>-</u>	<u>-</u>	<u>3,790</u>
Total contributed nonfinancial assets	<u><u>\$ 60,536</u></u>	<u><u>\$ 105</u></u>	<u><u>\$ 7,746</u></u>	<u><u>\$ 68,387</u></u>

2023	Food Literacy Program	Management and General	Fundraising	Total
Donated food	\$ 33,894	\$ -	\$ -	\$ 33,894
Donated services	3,570	-	-	3,570
Donated supplies	<u>1,841</u>	<u>1,180</u>	<u>-</u>	<u>3,021</u>
Total contributed nonfinancial assets	<u><u>\$ 39,305</u></u>	<u><u>\$ 1,180</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 40,485</u></u>

Donated food and supplies are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using price data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of purchase. Donated food and supplies are used in program and supporting services.

Donated services, such as photography and graphic design performed by professionals, are recognized at fair value based on current rates for similar services and are used for program services.

All nonfinancial assets contributions during the years ended December 31, 2024 and 2023 were received without donor restrictions. None of these assets were monetized; all were used in operations during the year received.

Food Literacy Center
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

Note 9 – Concentrations

For the year ended December 31, 2024, approximately 51% of the Center's total revenue and support was provided by four funding sources. In addition, approximately 76% of the Center's contributions receivable balance (not including the promised use of facilities) as of December 31, 2024, was due from one funding source.

In addition, approximately 70% of the Center's contributions receivable balance (not including the promised use of facilities) as of December 31, 2023, were due from two funding sources.

Note 10 – Commitments and Contingencies

The Center has been awarded certain grants and contracts and are subject to financial and compliance requirements of the grantors or their representatives. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although management does not expect such amounts, if any, to materially affect the financial statements.

Note 11 - Subsequent Events

The Center has evaluated subsequent events through August 11, 2025, the date the financial statements are available to be issued and is not aware of any other subsequent events which would require recognition or disclosure in the financial statements.

This page intentionally left blank