Organic Farming Research Foundation

(A California Nonprofit Organization)

Audited Financial Statements & Reports
December 31, 2025

Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Road, Ste. #5
Morgan Hill, CA 95037

ORGANIC FARMING RESEARCH FOUNDATION
(A California Nonprofit Organization)

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Financial Section

Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Organic Farming Research Foundation
Santa Cruz, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Organic Farming Research Foundation (a California Nonprofit Organization) (the "Foundation") which comprise the statement of financial position as of December 31, 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2025 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 the Foundation 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 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 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.

C & A LLP

June 19, 2026
Morgan Hill, California

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Financial Statements

ORGANIC FARMING RESEARCH FOUNDATION
(A California Nonprofit Organization)
Statement of Financial Position
December 31, 2025

ASSETS		
Cash and cash equivalents	$	267,176
Grants receivable		2,138,651
Promise to give, net		134,447
Operating investments		853,295
Prepaid expenses and other current assets		4,375
Other assets		1,055
Beneficial interest in assets held by community foundation		29,038
Total Assets	$	3,428,037
LIABILITIES		
Accounts payable	$	22,439
Credit cards payable		2,191
Unearned revenue		1,911,120
Accrued vacation and employee benefits		86,878
Total Liabilities		2,022,628
NET ASSETS		
Without donor restrictions:		
Undesignated		861,080
Designated by the Board for operating reserves		413,124
Total net assets without donor restrictions		1,274,204
With donor restrictions:		
Endowment:		
Perpetual in nature		106,205
Purpose restrictions		25,000
Total net assets with donor restrictions		131,205
Total Net Assets		1,405,409
Total Liabilities and Net Assets	$	3,428,037

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

ORGANIC FARMING RESEARCH FOUNDATION
(A California Nonprofit Organization)
Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Government grants and contributions	$ -	$ 833,640	$ 833,640
Corporate contributions	323,250	-	323,250
Foundation contributions	449,852	67,049	516,901
Contributions from individuals	58,343	-	58,343
Indirect public support	5,419	-	5,419
Charge for service	20,850	-	20,850
Net investment return	33,425	-	33,425
Miscellaneous revenue	25,500	-	25,500
Net assets released from restrictions:			
Satisfaction of program restrictions	900,838	(900,838)	-
Total Revenue and Support	1,817,477	(149)	1,817,328
OPERATING EXPENSES			
Program services:			
Research	552,457	-	552,457
Education	160,830	-	160,830
Policy	336,336	-	336,336
Communication	235,487	-	235,487
Total program expenses	1,285,110	-	1,285,110
Support services:			
Management and general	242,351	-	242,351
Fundraising and development	134,253	-	134,253
Total support services expenses	376,604	-	376,604
Total Expenses	1,661,714	-	1,661,714
Change in Net Assets	155,763	(149)	155,614
Beginning Net Assets	1,118,441	131,354	1,249,795
Ending Net Assets	$ 1,274,204	$ 131,205	$ 1,405,409

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

ORGANIC FARMING RESEARCH FOUNDATION
(A California Nonprofit Organization)
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Support Services			Program Services					
	Management and General	Fundraising and Development	Total Support Services	Research	Education	Policy	Commun-ications	Total Program Services	Total Expenses
Personnel	$ 173,528	$ 122,108	$ 295,636	$ 423,728	$ 153,876	$ 301,742	$ 167,790	$ 1,047,136	$ 1,342,772
Professional services	15,739	3,071	18,810	47,997	-	11,769	26,220	85,986	104,796
Office expenses	895	49	944	1,316	-	382	1,087	2,785	3,729
Postage and shipping	1,193	560	1,753	957	92	-	-	1,049	2,802
Occupancy	21,432	-	21,432	43,456	-	-	-	43,456	64,888
Equipment and furniture	1,830	-	1,830	1,927	-	583	655	3,165	4,995
Printing and publications	92	4,727	4,819	234	335	138	876	1,583	6,402
Travel	34	-	34	5,547	3,882	5,706	5,815	20,950	20,984
Conferences and meetings	-	66	66	1,581	145	863	1,658	4,247	4,313
Interest	8	-	8	-	-	-	-	-	8
Insurance	5,270	-	5,270	-	-	-	-	-	5,270
Advertising/Promotion	-	498	498	2,499	-	-	5,142	7,641	8,139
Media and data services	143	-	143	5,271	-	25	16,092	21,388	21,531
License and fees	6,860	2,037	8,897	173	2,500	10,770	445	13,888	22,785
Bad Debt Expense	9,500	-	9,500	-	-	-	-	-	9,500
Grants	5,827	1,137	6,964	17,771	-	4,358	9,707	31,836	38,800
Total Expenses	$ 242,351	$ 134,253	$ 376,604	$ 552,457	$ 160,830	$ 336,336	$ 235,487	$ 1,285,110	$ 1,661,714

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

ORGANIC FARMING RESEARCH FOUNDATION
(A California Nonprofit Organization)
Statement of Cash Flows
For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	155,614
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Realized and unrealized (gain) loss on operating investments		443,128
Change in beneficial interests in assets held by others		(1,137)
Changes in operating assets and liabilities:		
Decrease (increase) in grants receivable		(794,467)
Decrease (increase) in promises to give, net		(116,250)
Decrease (increase) in prepaid expenses and other current assets		(2,890)
Increase (decrease) in accounts payable		7,937
Increase (decrease) in credit cards payable		851
Increase (decrease) in accrued vacation and employee benefits		12,155
Increase (decrease) in unearned revenue		647,289
Net cash provided by (used for) operating activities		352,230
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of operating investments		(590,000)
Net cash provided by (used for) investing activities		(590,000)
Net increase (decrease) in cash and cash equivalents		(237,770)
Cash and cash equivalents - beginning of year		504,946
Cash and cash equivalents - end of year	$	267,176

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

Notes to Financial Statements

NOTE 1 – ORGANIZATION

The Organic Farming Research Foundation (the "Foundation") is a California nonprofit corporation founded in April 1990. The Foundation sponsors research related to organic farming, disseminates research results to organic farmers and growers, and educates the public and decision makers about organic farming issues.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) for not-for-profit entities (FASB Topic 958, ASU 2016-14).

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition, as applicable.

Operating Investments

The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Promises to Give and Grants Receivable

The Foundation records unconditional promises to give and grants receivable that are expected to be collected within one year at net realizable value. Unconditional promises to give and grants 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 statements of activities. The Foundation determines the allowance for uncollectable promises to give and grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give and grants receivable are written off when deemed uncollectable. As of December 31, 2025, there was no allowance for uncollectable accounts.

As of December 31, 2025, the Foundation’s receivables comprised of 26% from USDA Natural Resources Conservation Service (NRCS), 14% from 2023 TOPP National - COFF Subaward, 14% from 2025 TOPP Midwest - CCOF Subaward and 14% from 2026 TOPP Plains.

Property and Equipment

The Foundation records property and equipment additions of $1,000 or more at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Management did not review the carrying values of property and equipment for impairment because they were immaterial to the financial statements as of December 31, 2025.

Beneficial Interest in Assets Held by Community Foundation

The Foundation has investments held in the RSF Social Investment Fund (SIF), which serves social enterprises working in food and agriculture, education and the arts, and climate and environment. The Foundation granted variance power to the SIF, which allows the SIF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the SIF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the SIF for the Foundation's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Grants Payable

The Foundation records grants made to others as an expense in the period the grant is awarded.

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 available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve. The reserve is intended to be used for emergencies and non-recurring situations and not to replace a permanent loss of funding or ongoing budget gaps. The board can approve the use of the reserve when cash flows are inadequate to meet monthly operating needs, and it is the policy of the board to take steps to replenish the operating reserve within a reasonable period-of-time.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed (or certain grantor-imposed) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition – Contracts with Customers Accounted for in Accordance with ASC 606

The Foundation recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Foundation expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Foundation combines it with other performance obligations until a distinct bundle of goods or services exists. Performance obligations are satisfied over time and the related revenue is recognized as services are rendered. The Foundation management expects that the period between when the Foundation transfers goods and services to their customers and when the customers pay for those goods and services will be one year or less. Therefore, the Foundation elected the practical expedient not to adjust the promised amount of consideration for the effects of significant financing component.

Revenue Recognition Accounted for in Accordance with ASC 605: Topic 958 Not for Profit Entities

Grants – Grants awarded by federal, state or local agencies, or passed through to the Foundation from another donor that received similar grants, are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes. Revenue is recognized when qualified expenses are incurred and conditions under the grant agreement are met. Grant revenue from federal agencies is subject to independent audit and review by grantor agencies. The review could result in the disallowance of an expenditure under the terms of the grant or reductions of future grant funds. The following summarizes the Foundation's grant revenue for the fiscal year ended December 31, 2025:

	Grant Revenue
2023 TOPP National - OFA Subaward	$ 284,299
2024 CIG/USCC	4,386
2024 SSARE	3,245
2024 WSARE	3,095
2025 TOPP Midwest	28,071
2023 TOPP Western - CCOF Subaward	125,573
2025 TOPP Northwest	107,820
2025 TOPP Plains	137,112
USDA Natural Resources Conservation Service (NRCS)	140,039
Totals	$ 833,640

Fund-Raising Events – The Foundation holds fund-raising events and reports the revenues generated, net of any direct operating costs, as revenue, gains, and other support in the accompanying statements of activities. Fund-raising revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give.

Contributions of Cash and Other Financial Assets – The Foundation receives support from individuals, corporations, and other nonprofit organizations in support of its mission. Contribution revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, the Foundation receives promises to give that have certain conditions such as meeting specific performance-related barriers or limiting the Foundation's discretion on use of the funds. Other contributions may have revocable features to the promises to give. Such conditional promises to give are recognized when the conditions are substantially met.

The following summarizes the Foundation's contribution revenue of cash and other financial assets for the fiscal years ended June 30, 2025:

	Contributions	Concentration
Corporate contributions	$ 323,250	36%
Foundation contributions	516,901	58%
Individual contributions	58,343	6%
Totals	$ 898,494	100%

Contributions of Services and other Nonfinancial Assets –Volunteers may contribute time to the Foundation's 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 generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Foundation records donated professional services at the respective fair values of the services received, when applicable. No significant contributions of such goods or services were received during the fiscal year ended June 30, 2025.

Advertising Costs

Advertising costs are expensed as incurred, and during the year ended December 31, 2025, the Foundation had $8,139 advertising costs.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3) and Section 23701(d) of the California Code, qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under IRC Sections 509(a)(1) and (3). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the

Foundation may be subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Management has determined that the Foundation is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Concentrations

For the year ended December 31, 2025, government grants and contributions comprised 46% of total revenue, corporate contributions comprised another 18% of total revenue, contributions from other foundations comprised 28%, and contributions from individuals made up 3% of total revenue.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Foundation to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from organizations, individuals, and foundations supportive of the Foundation's mission. Investments are made by diversified investment managers/brokers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Foundation believes that its investment strategies are prudent for the long-term welfare of the organization.

Upcoming New Accounting Pronouncements

The Organization is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent FASB Accounting Standards Update:

The FASB recently issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets (Financial Instruments – Credit Losses (Topic 326)*, to simplify how entities measure credit losses on current accounts receivable and current contract assets. The amendments provide a practical expedient that allows all entities to assume that conditions at the balance sheet date will remain unchanged for an asset's remaining life when estimating credit losses on current accounts receivable and current contract assets arising from transactions under ASC 606.

The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance.

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 balance sheet date, comprise the following:

Cash and cash equivalents	$ 267,176
Short-term investments	882,333
Grants receivable	2,138,651
Promises to give	134,447
Less:	
Net assets with donor restrictions	(131,205)
Accounts payable	(24,630)
Accrued expenses	(86,878)
Total	$ 3,179,894

As part of our liquidity management plan, the Foundation invests cash in checking, savings, short-term investments and money market funds.

NOTE 4 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Foundation reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active,

inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk, or liquidity profile of the asset or liability.

As of December 31, 2025, $29,038 was held in a Social Investment Fund (SIF) with a three-month renewable term. Upon maturity these notes are expected to renew for an additional three-month term unless SIF receives a request from the investors for repayment before the maturity date.

The following table presents assets and liabilities measured at fair value on a recurring basis as of December 31, 2025:

		Fair Value Measurements at Report Date Using		
Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Un-observable Inputs (Level 3)
Operating investments:				
Merrill Lynch equities	$ 853,295	$ 853,295	$ -	$ -
Beneficial interests in:				
Assets held by community foundation	29,038	-	-	29,038
Total	$ 882,333	$ 853,295	$ -	$ 29,038

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis for donor restricted endowments, with fair value measurements noted above, and assets held by a community foundation, using significant unobservable inputs (Level 3), for the year ended December 31, 2025:

	Beneficial Interests Assets Held by Community Foundation
Beginning Balance	$ 27,901
Investment return, net	1,137
Ending Balance	$ 29,038

NOTE 5 – PROMISES TO GIVE AND GRANTS RECEIVABLE

As of December 31, 2025, promises to give and grants receivable were as follows:

	Amount
USDA Natural Resources Conservation Service (NRCS)	$ 582,406
2021 NIFA Co-Op Agreement	2,496
2023 TOPP National - OFA Subaward	104,483
2023 TOPP Western - CCOF Subaward	307,168
2024 CIG/USCC	1,263
2024 SSARE	78,053
2024 WSARE	98,543
2025 TOPP Midwest	315,656
2025 TOPP Northwest	261,915
2025 TOPP Plains	72,764
2026 TOPP Plains	322,000
Globetrotter Foundation	110,000
Nature's Path Foods, Inc.	15,000
Miscellaneous	1,351
Total Promises to Give and Grants Receivable	$ 2,273,098

All receivables are expected to be collected within one year, therefore no discounts have been applied.

NOTE 6 – CREDIT CARDS PAYABLE

The Foundation has six credit cards from Bill.com totaling $24,500 in unsecured credit with an annual interest rate of 18.49% for purchases and cash advances. The credit cards are set to expire in March 2032, July 2026, September 2026, September 2026, June 2026 and May 2026. The

Foundation also has a Chase Bank credit card which carries a 17.49% interest rate on purchases and 29.24% on cash advances. The Chase credit card has a $23,000 unsecured credit limit and expires in December 2028. As of December, 2025, the outstanding balances totaled $2,191.

NOTE 7 – UNEARNED REVENUE

The Foundation records conditional contributions as unearned revenue until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as net assets with restrictions or net assets without restrictions. Unearned revenue from conditional contributions consisted of the following as of December 31, 2025:

	Amount
2024 SSARE	$ 76,730
2024 WSARE	96,903
2023 TOPP National - OFA Subaward	156,626
2023 TOPP Western - CCOF Subaward	240,009
NRCS	516,298
2025 TOPP Northwest	214,969
2025 TOPP Midwest	287,585
2026 Plains	322,000
Total Unearned Revenue from Conditional Contributions	$ 1,911,120

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2025:

Net Assets with Donor Restrictions	
Subject to Expenditure for Specified Purpose:	
Gordon Foundation	$ 25,000
Endowment:	
Subject to NFP endowment spending policy and appropriation:	
Perpetual Restriction	106,205
Total Net Assets with Donor Restrictions	$ 131,205

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the year ended December 31, 2025:

Net Assets Released from Restrictions	
Satisfaction of Purpose Restrictions:	
2023 TOPP National	$ 284,299
2023 TOPP Regional	125,573
2025 TOPP Northwest	107,820
2025 TOPP Plains	128,696
2025 TOPP Midwest	28,071
USDA Natural Resources Conservation Service (NRCS)	140,039
2025 SSARE	3,245
2025 WSARE	3,095
2024 Gordon Foundation	25,000
Total Released from Satisfaction of Purpose Restrictions	845,838
Expiration of Time Restrictions:	
2025-2027 Globetrotter Foundation	55,000
Total Net Assets Released from Restrictions	$ 900,838

NOTE 9 – ENDOWMENT

Interpretation of Relevant Law

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions.

The Board of Trustees of the Foundation has interpreted the California version of the UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation

5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies approved by the Board of Directors. The Foundation has invested the endowment funds into a six-month certificate of deposit, which is reviewed at maturity every six months.

Spending Policy

The Foundation is able to spend the interest earned on the endowment funds. The Foundation is able to borrow principal funds from the endowment fund based on a super majority vote by the Board of Directors. If the principal fund is borrowed, the Foundation has a goal to repay the funds as soon as possible based on a development plan presented by Senior Management and approved by the Executive Committee. See Note 4 for additional disclosures related to fair values and changes in the endowment net assets.

NOTE 10 – RETIREMENT PLAN

The Foundation has a 403(b) Plan covering all eligible employees. The Foundation makes matching contributions equal to fifty percent of employee payroll deductions up to $150 per pay period, per employee. The Foundation contributed $34,192 to the Plan for the year ended December 31, 2025.

NOTE 11 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024, the Foundation entered into a memorandum of understanding (MOU) with a board member to provide services unrelated to board activities. Total payments under this agreement amounted to $8,000.