

**SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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Independent Auditor's Report

To the Board of Directors
Socially Responsible Agriculture Project, Inc.

Opinion

We have audited the accompanying financial statements of Socially Responsible Agriculture Project, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Socially Responsible Agriculture Project, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Socially Responsible Agriculture Project, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Socially Responsible Agriculture Project, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are 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 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 Socially Responsible Agriculture Project, Inc.'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 Socially Responsible Agriculture Project, Inc.'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.

Gross, Mendelsohn & Associates, P.A.

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents, unrestricted	\$ 2,193,038	\$ 1,988,572
Contributions and grants receivable	118,523	31,125
Prepaid expenses	7,952	7,054
Total Current Assets	<u>2,319,513</u>	<u>2,026,751</u>
Property , net of accumulated depreciation	<u>7,888</u>	<u>11,332</u>
Other Assets		
Cash and cash equivalents, restricted, fiscal partners	<u>2,564</u>	<u>7,704</u>
Total Assets	<u><u>\$ 2,329,965</u></u>	<u><u>\$ 2,045,787</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 75,534	\$ 79,576
Non-Current Liabilities		
Fiduciary liabilities	<u>2,564</u>	<u>7,704</u>
Total Liabilities	<u>78,098</u>	<u>87,280</u>
Commitments and Contingencies (Notes 6 and 7)		
Net Assets		
Without donor restrictions	2,103,469	1,757,479
With donor restrictions	148,398	201,028
Total Net Assets	<u>2,251,867</u>	<u>1,958,507</u>
Total Liabilities and Net Assets	<u><u>\$ 2,329,965</u></u>	<u><u>\$ 2,045,787</u></u>

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

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Foundation contributions	\$ 1,948,750	\$ -0-	\$ 1,948,750
Grants	304,256	237,012	541,268
Individual contributions	26,467	-0-	26,467
Contract service revenue	40,000	-0-	40,000
Interest income	19,569	-0-	19,569
Loss on disposal of property	(1,859)	-0-	(1,859)
Miscellaneous income	1,083	-0-	1,083
Net assets released from restrictions:			
Satisfaction of program restrictions	289,642	(289,642)	-0-
Total Support and Revenue	<u>2,627,908</u>	<u>(52,630)</u>	<u>2,575,278</u>
Expenses			
Program services	1,760,124	-0-	1,760,124
Support services:			
Management and general	423,813	-0-	423,813
Fundraising	97,981	-0-	97,981
Total Support Services	<u>521,794</u>	<u>-0-</u>	<u>521,794</u>
Total Expenses	<u>2,281,918</u>	<u>-0-</u>	<u>2,281,918</u>
Income (Loss) from Operations before Other Income	345,990	(52,630)	293,360
Other Income			
Legal settlement	-0-	-0-	-0-
Change in Net Assets	345,990	(52,630)	293,360
Net Assets at Beginning of Year	1,757,479	201,028	1,958,507
Net Assets at End of Year	<u>\$ 2,103,469</u>	<u>\$ 148,398</u>	<u>\$ 2,251,867</u>

2022		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 1,832,250	\$ -0-	\$ 1,832,250
154,500	403,400	557,900
37,745	-0-	37,745
30,000	-0-	30,000
10,366	-0-	10,366
-0-	-0-	-0-
904	-0-	904
368,561	(368,561)	-0-
<u>2,434,326</u>	<u>34,839</u>	<u>2,469,165</u>
<u>1,532,720</u>	<u>-0-</u>	<u>1,532,720</u>
388,090	-0-	388,090
130,532	-0-	130,532
<u>518,622</u>	<u>-0-</u>	<u>518,622</u>
<u>2,051,342</u>	<u>-0-</u>	<u>2,051,342</u>
382,984	34,839	417,823
<u>20,000</u>	<u>-0-</u>	<u>20,000</u>
402,984	34,839	437,823
<u>1,354,495</u>	<u>166,189</u>	<u>1,520,684</u>
<u>\$ 1,757,479</u>	<u>\$ 201,028</u>	<u>\$ 1,958,507</u>

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

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.

Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services				
	Community Support	Food and Farm Network	Water Rangers	Contract Growers Transition	Total Program Services
Personnel expenses:					
Salaries and wages	\$ 651,050	\$ 145,140	\$ 223,174	\$ 138,030	\$ 1,157,394
Employee benefits	90,235	18,496	20,026	18,258	147,015
Payroll taxes	51,197	11,413	17,550	10,854	91,014
Pension	13,469	2,761	2,989	2,725	21,944
Total personnel expenses	<u>805,951</u>	<u>177,810</u>	<u>263,739</u>	<u>169,867</u>	<u>1,417,367</u>
Contractors	8,710	15,114	1,585	57,445	82,854
Travel	29,987	11,158	12,378	5,487	59,010
Staff development and training	29,857	7,392	8,627	5,623	51,499
Communications	18,183	4,335	7,797	7,996	38,311
Professional fees	14,150	2,900	3,140	2,863	23,053
Office expense	11,107	2,535	6,192	2,358	22,192
Dues and subscriptions	13,430	2,415	3,614	2,384	21,843
Grant expense	27,069	-0-	-0-	-0-	27,069
Payroll service fees	2,865	587	1,007	580	5,039
Insurance	2,842	583	631	575	4,631
Repairs and maintenance	2,102	2,317	233	212	4,864
Depreciation	1,315	309	420	348	2,392
Total Expenses	<u>\$ 967,568</u>	<u>\$ 227,455</u>	<u>\$ 309,363</u>	<u>\$ 255,738</u>	<u>\$ 1,760,124</u>

Support Services

Management and General	Fundraising	Total Support Services	Total
\$ 291,657	\$ 67,731	\$ 359,388	\$ 1,516,782
41,919	9,735	51,654	198,669
22,935	5,326	28,261	119,275
6,257	1,453	7,710	29,654
362,768	84,245	447,013	1,864,380
3,318	771	4,089	86,943
11,119	2,830	13,949	72,959
13,111	2,998	16,109	67,608
6,773	1,680	8,453	46,764
12,573	1,526	14,099	37,152
4,964	1,798	6,762	28,954
5,473	1,271	6,744	28,587
-0-	-0-	-0-	27,069
1,331	309	1,640	6,679
1,320	307	1,627	6,258
487	113	600	5,464
576	133	709	3,101
\$ 423,813	\$ 97,981	\$ 521,794	\$ 2,281,918

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

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.**Statement of Functional Expenses****Year Ended December 31, 2022****Program Services**

	Community Support	Food and Farm Network	Water Rangers	Contract Growers Transition	Total Program Services
Personnel expenses:					
Salaries and wages	\$ 604,338	\$ 73,950	\$ 123,775	\$ 119,377	\$ 921,440
Payroll taxes	50,151	2,957	10,240	9,480	72,828
Employee benefits	61,169	7,018	3,511	12,304	84,002
Pension	12,356	1,392	710	2,555	17,013
Total personnel expenses	728,014	85,317	138,236	143,716	1,095,283
Contractors	114,761	9,638	5,362	32,125	161,886
Staff development and training	76,613	3,341	3,826	12,845	96,625
Travel	33,344	2,719	3,603	5,648	45,314
Professional fees	24,415	3,412	1,481	5,191	34,499
Communications	24,161	2,830	1,564	4,439	32,994
Dues and subscriptions	20,619	2,107	3,588	4,103	30,417
Office expense	13,941	1,428	2,353	2,568	20,290
Repairs and maintenance	3,351	299	3,181	598	7,429
Payroll service fees	3,069	405	182	626	4,282
Insurance	1,320	186	81	289	1,876
Depreciation	1,244	133	195	253	1,825
Total Expenses	\$ 1,044,852	\$ 111,815	\$ 163,652	\$ 212,401	\$ 1,532,720

Support Services

Management and General	Fundraising	Total Supporting Services	Total
\$ 243,411	\$ 81,601	\$ 325,012	\$ 1,246,452
19,456	6,460	25,916	98,744
15,508	8,240	23,748	107,750
4,974	1,669	6,643	23,656
<u>283,349</u>	<u>97,970</u>	<u>381,319</u>	<u>1,476,602</u>
25,795	8,017	33,812	195,698
26,785	8,572	35,357	131,982
11,228	3,396	14,624	59,938
11,016	3,858	14,874	49,373
8,563	2,963	11,526	44,520
9,130	2,659	11,789	42,206
5,467	1,913	7,380	27,670
4,360	359	4,719	12,148
1,336	457	1,793	6,075
599	213	812	2,688
462	155	617	2,442
<u>\$ 388,090</u>	<u>\$ 130,532</u>	<u>\$ 518,622</u>	<u>\$ 2,051,342</u>

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

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 293,360	\$ 437,823
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,101	2,442
Loss from disposal of property	1,859	-0-
Changes in operating assets and liabilities:		
Contributions and grants receivable	(87,398)	(31,125)
Prepaid expenses	(898)	(5,077)
Employee retention credit receivable	-0-	356,230
Other receivables	-0-	550
Accounts payable and accrued expenses	(4,042)	15,322
Fiduciary liabilities	(5,140)	(1,898)
Net Cash Provided by Operating Activities	<u>200,842</u>	<u>774,267</u>
Cash Flows from Investing Activities		
Purchases of property	(3,316)	(2,778)
Proceeds from disposal of property	1,800	-0-
Net Cash Used in Investing Activities	<u>(1,516)</u>	<u>(2,778)</u>
Net Increase in Cash, Cash Equivalents and Restricted Cash	199,326	771,489
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	<u>1,996,276</u>	<u>1,224,787</u>
Cash, Cash Equivalents and Restricted Cash - End of Year	<u><u>\$ 2,195,602</u></u>	<u><u>\$ 1,996,276</u></u>
Reconciliation to Cash, Cash Equivalents and Restricted Cash on Statements of Financial Position		
Cash and cash equivalents	\$ 2,193,038	\$ 1,988,572
Cash and cash equivalents, restricted, fiscal partners	<u>2,564</u>	<u>7,704</u>
Cash, Cash Equivalents, and Restricted Cash on the Statements of Cash Flows	<u><u>\$ 2,195,602</u></u>	<u><u>\$ 1,996,276</u></u>

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

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
Notes to Financial Statements
December 31, 2023 and 2022

Note 1: Nature of Organization and Summary of Significant Accounting Policies

Socially Responsible Agriculture Project, Inc. (SRAP) was incorporated in the state of Delaware as a non-profit organization on March 15, 2007. SRAP is dedicated to informing the public about the negative effects of industrial livestock operations - also known as factory farms or concentrated animal feeding operations (CAFOs) - while providing direct assistance to communities impacted by this destructive industry. Through education, advocacy, and community organizing, SRAP empowers people to protect public health, environmental quality, and local economies from the damaging impacts of factory farms, and to advocate for a socially responsible food future.

SRAP's major programs include:

Community Support Program: SRAP empowers communities to protect themselves from the devastating public health, environmental, and socioeconomic damages caused by industrial livestock production. For more than 20 years, our team has worked throughout the U.S. to provide free assistance to any community that requests our help when facing the threats posed by factory farms.

SRAP's community support team includes technical experts, independent farmers, and rural residents who, like the communities we serve, have experienced the impacts of industrial livestock production firsthand. Our team offers technical and strategic support to help people educate and mobilize their communities, navigate regulatory processes, engage lawmakers, publicize their stories, and ultimately build coalitions to reject harmful industrial Agriculture practices and advocate for a socially responsible food future.

SRAP also links the people most profoundly impacted by our broken food system with a network of academic institutions, government agencies, public interest groups, and political players who can help. We connect local efforts with state and national movements to unite in our cause, collectively working to bring back the socially responsible, independent farms needed to feed America.

Food and Farm Network: SRAP understands the threats community members face when an industrial livestock facility comes to town. We also know the importance and need for organizing to build a better food future. Through tech talks, webinars, action alerts, and agriculture policy briefings, the Socially Responsible Food & Farm Network empowers advocates to unite.

An extension of our core mission to offer outreach, base building, education, and leadership development opportunities, this free national network builds on SRAP's strengths - and the team's decades-long experience - to advise and mobilize advocates beyond the CAFO issue. The network engages farmers and community members to advocate on behalf of regenerative food systems, social justice, climate initiatives, public health, animal welfare, and other critical issues. With regular opportunities to connect with state, regional, and national coalitions and organizations, plus additional access to training events and educational materials, network participants will learn to more effectively influence policymakers and U.S. residents, alike, on the food and agriculture concerns that matter most.

Water Rangers: Industrial livestock operations are among the worst water polluters in the U.S. Because these facilities confine so many animals in one place, they generate vast amounts of waste, which is typically stored onsite before being applied untreated to surrounding land.

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
Notes to Financial Statements
December 31, 2023 and 2022

Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)

Unfortunately, as a result of weak regulatory policies, mismanagement and overapplication of waste is the norm, causing ground and surface waters to be contaminated with pollutants such as nitrogen, phosphorus, organic matter, heavy metals, and harmful pathogens like E. coli, Salmonella, and Cryptosporidium. This contaminates drinking water wells, causes fish kills, spawns toxic algal blooms, and renders local waterways unsafe for swimming, fishing, boating, and other recreational uses.

In short, rural residents living near industrial livestock operations are on the front lines of a water pollution crisis that threatens their health, environment, and quality of life.

SRAP's Water Rangers program is designed to empower these communities to protect their right to clean water and to hold industrial livestock operations accountable for pollution. We train program participants in EPA-approved water testing techniques, and provide them with tools to collect and analyze water samples. Participants also learn how to effectively document and report pollution violations to regulators in order to prompt enforcement action. The Water Rangers program empowers community members to reverse a decades-long trend of handing industrial agriculture a free pass to pollute.

Contract Grower Transition Program: The Contract Grower Transition Program allows SRAP to further transform rural communities by engaging contract growers and producers struggling within the industrial agriculture system. Through the Transition Program, SRAP enables contract growers to leave this system behind by training them to work with the communities most harmed by industrial agriculture. SRAP aims to simultaneously reduce the number of contract growers trapped by the corporate agriculture model, while empowering them to advocate for a socially responsible animal agriculture system that prioritizes public health, the environment, and animal welfare.

There is no better advocate to engage rural communities facing threats of incoming or expanding industrial livestock facilities than the people who, too, were harmed by the industrial system. The SRAP staff members who lead this program are former contract growers who have experienced injustices firsthand. This unique perspective makes them especially effective champions of Agriculture reform and enables them to offer invaluable guidance to rural residents suffering due to nearby livestock operations and to current growers struggling to leave the industry.

The accounting and reporting policies of the SRAP conform to accounting principles generally accepted in the United States of America. Following is a description of the most significant of those policies:

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents: SRAP classifies all investments which are readily convertible to cash and which have a maturity of three months or less when purchased as cash and cash equivalents.

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
Notes to Financial Statements
December 31, 2023 and 2022

Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)

Contributions and Grant Receivable: Unconditional promises to give are recorded as contributions and grants receivable and recognized as revenue in the period the contribution or grant is received. A provision is made for uncollectible contributions and grants based on anticipated collection losses. Estimated losses are generally determined from historical collection experience and a review of outstanding contributions and grants receivable. Contributions and grants receivable are written off by management when, in its determination, all appropriate collection efforts have been taken. SRAP has not established an allowance for uncollectible contributions or grants as of December 31, 2023 and 2022, since in the opinion of management, all outstanding contributions and grants are considered collectible.

Property and Depreciation: Property is recorded at cost or, if donated, at fair value at the date of contribution, less accumulated depreciation. SRAP capitalizes all property acquisitions in excess of \$2,000 having an estimated useful life greater than one year. Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized. Depreciation is computed using the straight-line method and is charged to expense over the estimated useful lives of the assets as follows:

Computers	3 - 5 years
Testing equipment	15 years

Net Assets: Net assets, revenue, support, gains and losses are classified based on the existence or absence of donor-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 restrictions.

Net Assets with Donor Restrictions: Net assets subject to donor-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.

Revenue Recognition: SRAP generates contract revenue from fee for service contracts with other organizations whereby SRAP provides their knowledge and expertise on the Agriculture industry. Revenue from these organizations is earned as the services are provided to the companies and/or individuals. Performance obligations are determined based on the amount of time provided to each organization. SRAP has primarily one performance obligation which is satisfied over time related to these contracts.

Contributions and Grants: Contributions received are recorded without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. An unconditional pledge to give support is recognized as a receivable and corresponding contribution revenue in the year the pledge is made. Conditional pledges to give, which depend on the occurrence of a specific future and uncertain event, are not recognized as revenue until the condition has been met.

Conditional grants are earned and recognized as revenue in proportion to the related expenses incurred. Grants earned but not yet received are recorded as grants receivable. Grant proceeds received in advance and not yet earned are recorded as deferred revenue.

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
Notes to Financial Statements
December 31, 2023 and 2022

Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)

Recognition of Donor Restrictions: All donor-restricted support is reported as an increase in net assets with donor restrictions. Upon the expiration of a temporary restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statements of activities.

Functional Allocation of Expenses: The costs of providing various programs and other support activities have been summarized on a functional basis in the statements of activities and by natural classification in the statements of functional expenses. Costs that can be identified with specific programs or support services are allocated directly. Costs that cannot be specifically identified with a particular function and that benefit more than one functional category are allocated based on estimates such as time and effort.

Advertising: Advertising costs are charged to operations when incurred. SRAP has no significant direct-response advertising. Advertising expense for the years ended December 31, 2023 and 2022 totaled \$3,481 and \$5,694, respectively. Advertising expense is included in communications on the statements of functional expenses.

Income Taxes: SRAP is exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3). Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. SRAP had no reportable unrelated business income for the years ended December 31, 2023 and 2022. Accordingly, no provision for income taxes is reflected in these financial statements.

SRAP's federal exempt organization tax returns are subject to examination by the Internal Revenue Service (IRS), generally for a period of three years after the returns are filed.

Reclassifications: Certain amounts previously reported in the 2022 financial statements have been reclassified to conform to the financial statement presentation for the year ended December 31, 2023.

Subsequent Events: In preparing these financial statements, SRAP has evaluated events and transactions for potential recognition or disclosure through September 23, 2024 the date the financial statements were available to be issued. During the period from January 1, 2024 through September 23, 2024, SRAP did not have any material recognizable subsequent events.

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
Notes to Financial Statements
December 31, 2023 and 2022

Note 2: Liquidity and Availability of Funds

A summary of the financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	2023	2022
Cash and cash equivalents, unrestricted	\$ 2,193,038	\$ 1,988,572
Contributions and grants receivable	118,523	31,125
Less: Net assets with donor restrictions	(148,398)	(201,028)
Financial Assets Available for General Expenditure	\$ 2,163,163	\$ 1,818,669

As part of SRAP's liquidity management plan, SRAP invests cash in excess of daily requirements in an interest bearing savings account.

Note 3: Property

Property consisted of the following at December 31, 2023 and 2022:

	2023	2022
Computers and equipment	\$ 3,114	\$ 11,920
Testing equipment	9,972	9,972
	13,086	21,892
Less: Accumulated depreciation	5,198	10,560
	\$ 7,888	\$ 11,332

Note 4: Fiduciary Liabilities

SRAP has entered into a service agreement with some small unincorporated affiliated organizations for management and safekeeping of funds collected on their behalf. Total fiduciary liabilities at December 31, 2023 and 2022 were \$2,564 and \$7,704, respectively. Accordingly, SRAP accounts for these funds separately and are presented as cash and cash equivalents, restricted, fiscal partners on the statements of financial position.

Note 5: Net Assets

Net Assets without Donor Restrictions:

Undesignated net assets without donor restrictions: Consists of the resources and obligations related to the daily operations of SRAP.

Net Assets with Donor Restrictions:

SRAP has several restricted funds, which may be expended but only for the purpose established by the respective donors.

SOCIALLY RESPONSIBLE AGRICULTURE PROJECT, INC.
Notes to Financial Statements
December 31, 2023 and 2022

Note 5: Net Assets (Continued)

Net assets with donor restrictions were available for the following purposes as of December 31, 2023:

	2022	Current Year Activity		2023
		Contributions	Released from Restrictions	
Subject to expenditure for a specified purpose:				
Water Range Expansion	\$ 75,213	\$ 125,000	\$ (125,815)	\$ 74,398
ASPCA	69,524	59,000	(69,524)	59,000
Jedi Learning	-0-	15,000	-0-	15,000
11th Hour	-0-	26,012	(26,012)	-0-
Prop 12	7,011	12,000	(19,011)	-0-
Poultry Litter Project	48,780	-0-	(48,780)	-0-
Biogas Funds	500	-0-	(500)	-0-
	<u>\$ 201,028</u>	<u>\$ 237,012</u>	<u>\$ (289,642)</u>	<u>\$ 148,398</u>

Net assets with donor restrictions were available for the following purposes as of December 31, 2022:

	2021	Prior Year Activity		2022
		Contributions	Released from Restrictions	
Subject to expenditure for a specified purpose:				
Water Range Expansion	\$ -0-	\$ 125,000	\$ (49,787)	\$ 75,213
ASPCA	92,859	50,000	(73,335)	69,524
Poultry Litter Project	53,998	46,400	(51,618)	48,780
Prop 12	-0-	107,000	(99,989)	7,011
Biogas Funds	11,999	-0-	(11,499)	500
11th Hour	-0-	75,000	(75,000)	-0-
Right to Harm Funds	7,333	-0-	(7,333)	-0-
	<u>\$ 166,189</u>	<u>\$ 403,400</u>	<u>\$ (368,561)</u>	<u>\$ 201,028</u>

Note 6: Retirement Plan

SRAP maintains a retirement plan under IRC Section 403(b) for its employees and generally covers all employees. In order for an eligible employee to receive contributions from SRAP, they must routinely work twenty or more hours per week and have completed thirty days of service, as defined in the plan documents. Under the terms of the plan, participating employees may elect to contribute pre-tax dollars up to the maximum limit established by the IRS for each calendar year. Employer contributions to the retirement plan are discretionary. Total pension expense for the years ended December 31, 2023 and 2022 was \$29,654 and \$23,656, respectively.

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Notes to Financial Statements
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Note 7: Certain Significant Risks and Uncertainties

Uninsured Balances: SRAP maintains its cash balances in various financial institutions. Periodically during the year, SRAP's cash balances may exceed federally insured limits. SRAP has not experienced any losses in such accounts and believes it is not exposed to significant risk on cash balances in excess of federally insured limits.

Donor Concentrations: As of December 31, 2023 and 2022, SRAP received donations or grants from five and three contributors that totaled \$1,948,750 and \$1,932,250 respectively, representing 76% and 78%, respectively, of total revenue during the years ended December 31, 2023 and 2022.

Legal Matters: During the ordinary course of business, on occasion, SRAP may be named as a third-party litigate related to legal claims for which they provide advocacy. In the opinion of management and based on historical experience, these third-party claims have not generated material adverse effects on SRAP's financial position in the past and current claims are not expected to result in material adverse effects.

