

FARM AID, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024 and 2023

# FARM AID, INC.

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Farm Aid, Inc.  
Cambridge, Massachusetts

### **Opinion**

We have audited the financial statements of Farm Aid, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, 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 Farm Aid, Inc. as of December 31, 2024, 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 Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Farm Aid, Inc. 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.

### **Prior Period Financial Statements**

The financial statements of the Farm Aid, Inc. as of and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on November 14, 2024.

### **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 Farm Aid, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## Auditors' 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 auditors' 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 Farm Aid, 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 Farm Aid, 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.

*EisnerAmper LLP*

EISNERAMPER LLP  
Boston, Massachusetts  
January 7, 2026



**FARM AID, INC.****Statements of Financial Position**

	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS:</b>		
Cash	\$ 8,615,812	\$ 9,051,319
Accounts receivable	113,996	1,434,014
Contributions and grants receivable	872,181	318,317
Merchandise inventory	120,850	138,073
Prepaid expenses	94,036	89,870
Investments	355,866	360,222
Security deposit	8,000	7,500
Operating lease right-of-use assets	94,184	313,096
Furniture and equipment, net	3,476	5,813
Intangible assets, net	-	35,488
	<b>\$ 10,278,401</b>	<b>\$ 11,753,712</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 200,006	\$ 130,939
Grants payable	-	28,000
Accrued expenses	125,731	222,121
Scholarships payable	9,006	18,011
Operating lease liabilities	97,712	329,217
	<b>432,455</b>	<b>728,288</b>
Net assets:		
Without donor restrictions	9,326,194	10,614,889
With donor restrictions	519,752	410,535
	<b>9,845,946</b>	<b>11,025,424</b>
	<b>\$ 10,278,401</b>	<b>\$ 11,753,712</b>

See notes to financial statements.

# FARM AID, INC.

## Statements of Activities and Changes in Net Assets

	Year Ended December 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support:</b>						
Festival and special events:						
Income from festival and special events	\$ 3,765,907	\$ -	\$ 3,765,907	\$ 3,580,565	\$ -	\$ 3,580,565
Contributions from festival and special events	580,108	-	580,108	469,535	-	469,535
In-kind contributions from festival and special events	282,067	-	282,067	153,412	-	153,412
Event expenses	(3,588,904)	-	(3,588,904)	(3,307,160)	-	(3,307,160)
Festival and special events revenue, net	1,039,178	-	1,039,178	896,352	-	896,352
Other revenue and support:						
Contributions and grants	2,091,787	270,000	2,361,787	2,570,677	-	2,570,677
Investment income, net	364,957	13,655	378,612	290,168	28,715	318,883
Merchandise sales, net	124,969	-	124,969	123,408	-	123,408
Licensing fees and royalties	85,502	-	85,502	89,257	-	89,257
Program service fees	36,716	-	36,716	20,500	-	20,500
Other revenue and support	2,703,931	283,655	2,987,586	3,094,010	28,715	3,122,725
Net assets released from restrictions:						
Satisfaction of purpose restrictions	174,438	(174,438)	-	93,011	(93,011)	-
Total revenue and support	3,917,547	109,217	4,026,764	4,083,373	(64,296)	4,019,077
<b>Expenses:</b>						
Program services:						
Helping farmers thrive	2,688,950	-	2,688,950	2,114,576	-	2,114,576
Promoting food from family farms	495,161	-	495,161	437,921	-	437,921
Taking action to change the system	935,868	-	935,868	896,621	-	896,621
Growing the good food movement	463,626	-	463,626	404,778	-	404,778
Total program services	4,583,605	-	4,583,605	3,853,896	-	3,853,896
Supporting services:						
Management and general	341,510	-	341,510	404,917	-	404,917
Fundraising	281,127	-	281,127	318,073	-	318,073
Total supporting services	622,637	-	622,637	722,990	-	722,990
Total expenses	5,206,242	-	5,206,242	4,576,886	-	4,576,886
<b>Change in net assets</b>	(1,288,695)	109,217	(1,179,478)	(493,513)	(64,296)	(557,809)
Net assets, beginning of year	10,614,889	410,535	11,025,424	11,108,402	474,831	11,583,233
<b>Net assets, end of year</b>	<b>\$ 9,326,194</b>	<b>\$ 519,752</b>	<b>\$ 9,845,946</b>	<b>\$ 10,614,889</b>	<b>\$ 410,535</b>	<b>\$ 11,025,424</b>

See notes to financial statements.

**FARM AID, INC.**

**Statements of Functional Expenses  
For the Year Ended December 31, 2024**

	Program Services							Total
	Helping Farmers Thrive	Promoting Food from Family Farms	Taking Action to Change the System	Growing the Good Food Movement	Management and General	Fundraising	Festival and Special Events	
Salaries and wages	\$ 778,822	\$ 155,987	\$ 218,034	\$ 108,216	\$ 96,970	\$ 114,832	\$ 309,119	\$ 1,781,980
Facility rentals and production costs	12,642	10,187	10,820	10,775	1,101	48	1,400,131	1,445,704
Grants and direct assistance	910,750	-	387,131	146,250	-	-	-	1,444,131
Other contractual services	257,688	97,802	49,071	25,515	99,183	23,816	396,231	949,306
Marketing and communications	117,267	73,068	78,418	71,685	67,641	107	119,053	527,239
Employee benefits	161,854	34,379	48,054	23,851	21,372	25,309	68,190	383,009
Travel, transportation and lodging	58,479	18,484	21,791	11,288	4,853	3,392	231,821	350,108
Cost of merchandise sold	-	23,081	-	-	-	-	318,670	341,751
Catering, food and beverage	9,662	9,869	9,395	9,395	-	-	282,634	320,955
Fees and insurance	12,533	7,102	3,551	1,763	4,192	8,652	274,233	312,026
Occupancy	109,073	22,537	31,501	15,635	14,010	16,591	44,661	254,008
Accounting services	89,514	18,496	25,852	12,831	13,298	13,616	36,653	210,260
Payroll taxes	61,201	12,262	17,139	8,507	7,544	8,894	24,299	139,846
Information and communications technology	37,573	5,039	6,871	3,487	4,068	27,954	10,430	95,422
Other business expenses	18,378	11,182	9,906	7,427	2,143	1,649	25,093	75,778
Supplies and equipment	3,856	2,761	2,303	1,986	280	10,146	30,926	52,258
Depreciation and amortization	16,242	3,356	4,691	2,328	2,088	2,470	6,650	37,825
Audit services	15,476	3,198	4,470	2,218	1,986	2,354	6,337	36,039
Printing and reproduction	3,384	-	-	-	-	15,695	42	19,121
Postage and shipping	1,032	8,938	215	144	596	5,257	2,642	18,824
Subscriptions and dues	4,518	514	6,655	325	185	345	1,089	13,631
Scholarship - Younkers	9,006	-	-	-	-	-	-	9,006
	<b>2,688,950</b>	<b>518,242</b>	<b>935,868</b>	<b>463,626</b>	<b>341,510</b>	<b>281,127</b>	<b>3,588,904</b>	<b>8,818,227</b>
Less items included within revenue and support on the statement of activities and changes in net assets:								
Non-festival cost of merchandise sold	-	(23,081)	-	-	-	-	-	(23,081)
Direct expenses of festival and special events	-	-	-	-	-	-	(3,588,904)	(3,588,904)
Total expenses included in the functional categories on the statement of activities and changes in net assets	<b>\$ 2,688,950</b>	<b>\$ 495,161</b>	<b>\$ 935,868</b>	<b>\$ 463,626</b>	<b>\$ 341,510</b>	<b>\$ 281,127</b>	<b>\$ -</b>	<b>\$ 5,206,242</b>

See notes to financial statements.

**FARM AID, INC.**

**Statements of Functional Expenses (continued)  
For the Year Ended December 31, 2023**

	Program Services							Total
	Helping Farmers Thrive	Promoting Food from Family Farms	Taking Action to Change the System	Growing the Good Food Movement	Management and General	Fundraising	Festival and Special Events	
Salaries and wages	\$ 618,944	\$ 133,232	\$ 193,539	\$ 104,333	\$ 112,230	\$ 121,564	\$ 290,478	\$ 1,574,320
Facility rentals and production costs	8,179	6,231	6,894	6,727	175	262	1,373,408	1,401,876
Grants and direct assistance	774,241	-	410,634	150,140	-	-	-	1,335,015
Other contractual services	94,029	70,388	14,258	8,043	156,479	7,277	259,133	609,607
Marketing and communications	58,349	46,072	75,575	38,515	12	6,622	215,250	440,395
Employee benefits	131,086	28,986	41,051	22,313	22,484	25,536	64,067	335,523
Travel, transportation and lodging	33,740	15,480	28,384	6,876	10,012	3,006	230,118	327,616
Accounting services	121,478	26,149	37,985	20,477	15,937	24,259	57,011	303,296
Fees and insurance	7,875	11,206	2,437	1,314	1,022	16,292	261,800	301,946
Cost of merchandise sold	-	70,294	-	-	-	-	188,382	258,676
Occupancy	97,366	24,259	30,445	16,413	23,743	19,123	45,695	257,044
Catering, food and beverage	6,325	7,823	6,325	6,325	-	-	174,192	200,990
Payroll taxes	50,289	10,825	15,725	8,477	4,738	9,877	23,601	123,532
Other business expenses	36,176	5,275	12,274	6,175	3,250	4,056	34,707	101,913
Information and communications technology	26,788	5,485	7,534	4,087	5,280	27,429	11,177	87,780
Supplies and equipment	1,236	14,522	640	400	261	2,824	56,483	76,366
Printing and reproduction	2,626	11	6	3	3	36,776	4,427	43,852
Audit services	-	-	-	-	43,168	-	-	43,168
Depreciation and amortization	17,261	3,715	5,397	2,910	2,263	3,390	8,101	43,037
Postage and shipping	873	25,957	196	133	58	8,479	5,988	41,684
Scholarship - Younkers	20,339	-	-	-	-	-	-	20,339
Subscriptions and dues	3,397	1,449	6,078	446	410	520	1,275	13,575
Legal fees	3,979	856	1,244	671	3,392	781	1,867	12,790
	<u>2,114,576</u>	<u>508,215</u>	<u>896,621</u>	<u>404,778</u>	<u>404,917</u>	<u>318,073</u>	<u>3,307,160</u>	<u>7,954,340</u>
Less items included within revenue and support on the statement of activities and changes in net assets:								
Non-festival cost of merchandise sold	-	(70,294)	-	-	-	-	-	(70,294)
Direct expenses of festival and special events	-	-	-	-	-	-	(3,307,160)	(3,307,160)
Total expenses included in the functional categories on the statement of activities and changes in net assets	<u>\$ 2,114,576</u>	<u>\$ 437,921</u>	<u>\$ 896,621</u>	<u>\$ 404,778</u>	<u>\$ 404,917</u>	<u>\$ 318,073</u>	<u>\$ -</u>	<u>\$ 4,576,886</u>

See notes to financial statements.

**FARM AID, INC.****Statements of Cash Flows**

	Year Ended December 31,	
	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (1,179,478)	\$ (557,809)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Donated stock	-	(1,015,067)
Depreciation and amortization	37,825	43,037
Change in operating lease right-of-use assets	218,912	220,152
Net realized gains on investments	(8,459)	(67,468)
Net unrealized losses (gains) on investments	7,888	(5,110)
Changes in operating assets and liabilities:		
Accounts receivable	1,320,018	(1,348,791)
Contributions and grants receivable	(553,864)	215,122
Merchandise inventory	17,223	(4,814)
Prepaid expenses	(4,166)	(900)
Security deposit	(500)	-
Accounts payable	69,067	49,769
Grants payable	(28,000)	18,000
Accrued expenses	(96,390)	155,106
Scholarships payable	(9,005)	441
Operating lease liabilities	(231,505)	(223,852)
	<u>(440,434)</u>	<u>(2,522,184)</u>
Net cash used in operating activities		
	<u>(440,434)</u>	<u>(2,522,184)</u>
<b>Cash flows from investing activities:</b>		
Purchase of certificates of deposit	(8,549,876)	-
Redemption of certificates of deposit	8,549,876	8,316,666
Reinvestment of dividend income	(17,760)	(11,580)
Purchase of equipment	-	(4,116)
Withdrawals from investments	22,687	1,094,565
	<u>4,927</u>	<u>9,395,535</u>
Net cash provided by investing activities		
	<u>4,927</u>	<u>9,395,535</u>
<b>Net (decrease) increase in cash</b>	<b>(435,507)</b>	<b>6,873,351</b>
Cash, beginning of year	<u>9,051,319</u>	<u>2,177,968</u>
<b>Cash, end of year</b>	<b>\$ <u>8,615,812</u></b>	<b>\$ <u>9,051,319</u></b>

*See notes to financial statements.*

## **FARM AID, INC.**

### **Notes to Financial Statements December 31, 2024 and 2023**

#### **NOTE A - ORGANIZATIONAL PURPOSE**

Farm Aid, Inc. (the “Organization” or “Farm Aid”) is a nonprofit organization whose mission is to build a vibrant, family farm-centered system of agriculture in America. Farm Aid artists and board members Willie Nelson, John Mellencamp, Neil Young, Dave Matthews and Margo Price host an annual festival to support Farm Aid’s work with family farmers and to inspire people to choose food from family farms. Since 1985, Farm Aid has raised more than \$96 million to support programs that help farmers thrive, expand the reach of the Good Food Movement, take action to change the dominant system of industrial agriculture and promote food from family farms. The Organization works year-round to promote a strong and resilient family farm system of agriculture through several programs as described below.

#### **[1] Promoting food from family farms:**

The heart of Farm Aid’s work to promote food from family farms is the annual Farm Aid festival, America’s longest running annual music event with a mission, which unites farmers, artists, music lovers and eaters to celebrate family farmers and mobilizes people to build a powerful movement for good food from family farms. The Organization’s annual festival features family farm food throughout the venue with Farm Aid’s HOMEGROWN Concessions®, fostering strong relationships among farmers, food companies, concessionaires and festivalgoers. The HOMEGROWN Youthmarket sells local produce from family farmers and is staffed by local youth engaged in agriculture. In the HOMEGROWN Village, dozens of farm and food groups engage festivalgoers in hands-on experiences about farming, food, soil, water, and renewable energy. In addition to its annual festival, Farm Aid engages people in the culture of agriculture through smaller regional events and with its inspiring and informative social and media campaigns that connect eaters and farmers through cooking, eating, and growing. Farm Aid 2024 was held at Broadview Stage at Saratoga Performing Arts Center in Saratoga Springs, New York, on September 21, with a sold out crowd of more than 21,000. In a food landscape largely controlled by corporations, Farm Aid 2024 showcased farmers who are creating community-based food systems that improve food access and quality, boost farmer income and local economies, and promote healthier soil and water. The Farm Aid 2024 stage featured Farm Aid board members Willie Nelson, John Mellencamp, Neil Young, Dave Matthews (performing with Tim Reynolds) and Margo Price, as well as Mavis Staples, Nathaniel Rateliff & The Night Sweats, Lukas Nelson with The Travelin’ McCourys, Charley Crockett, Joy Oladokun, Southern Avenue, Cassandra Lewis, Jesse Welles, Wisdom Indian Dancers and Kontiwennenha:Wi. Artists generously donated their performance time at the festival, an invaluable contribution that enables Farm Aid to raise funds in support of its mission.

#### **[2] Helping farmers thrive:**

Through its toll-free number, 1-800-FARM-AID, and online Farmer Resource Network directory, Farm Aid refers and connects farmers to an extensive network of organizations across the country that help farmers find the resources they need to access new markets, transition to more sustainable and profitable farming practices, and receive immediate support services in times of crisis. The Organization makes grants to farm and rural service organizations and collaborates with service partners to help build their capacity for addressing farmer challenges and needs. Farm Aid grants also support the Farm Advocate Link, a national network of farm advocates who provide one-on-one services to family farmers. The Farm Advocate Link’s mission is to train, support and recruit a new generation of farm advocates. When natural disasters strike and affect farmers, Farm Aid’s Family Farm Disaster Fund raises funds to help farmers in the immediate aftermath and provide trainings to farmers for accessing disaster aid and for building on-farm resilience to prepare for future disasters.

## FARM AID, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### NOTE A - ORGANIZATIONAL PURPOSE (CONTINUED)

##### [3] Taking action to change the system:

Farm Aid seeks to advance the power and participation of farmers to change the American farm and food system. Farm Aid works with and makes grants to local, regional and national organizations to promote fair farm policies and grassroots organizing campaigns designed to defend and bolster family farm-centered agriculture. Farm Aid's Action Center engages people to become advocates for change. The Organization has worked side-by-side with farmers to protest factory farms and inform farmers and eaters about issues like genetically modified food, global trade, and industrial livestock production. Farm Aid serves as a leader and contributing member of collaborative efforts to bring attention to the varied challenges faced by family farmers and to encourage collaboration and collective problem solving.

Farm Aid's Farmer Leadership Fund defrays expenses for farmer leadership trainings, strategy meetings and other opportunities to elevate the voices of family farmers.

##### [4] Growing the good food movement:

Farm Aid and its partners support and implement strategies that bolster the Good Food Movement - the growing number of people seeking family farm-identified, local, organic or humanely-raised food with economic justice for farmers. Farm Aid provides grants to grassroots organizations that foster connections between farmers and eaters by growing and strengthening local and regional markets and expanding the reach of family farm food into urban neighborhoods, grocery stores, restaurants, schools and other public institutions.

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### [1] Financial statement presentation:

In order to ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, the Organization determines the classification of its net assets, revenue and support, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. The net assets of the Organization are classified as follows:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature. Those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any net assets with donor restrictions that are perpetual in nature as of December 31, 2024 and 2023, or for the years then ended.

##### [2] Leases:

At inception, the Organization determines whether an arrangement is or contains a lease. Right-of-use ("ROU") assets represent the Organization's right to use leased assets over the term of the lease. Lease liabilities represent the Organization's contractual obligation to make lease payments over the lease term. Operating leases are included in operating right-of-use assets and lease liabilities on the statements of financial position. The Organization has no financing leases.

## FARM AID, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [2] Leases: (continued)

For operating leases, ROU assets and lease liabilities are recognized at the commencement date of each of the respective leases and are measured at the present value of the lease payments over the lease term. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses a U.S. Treasury risk-free rate that is comparable to the lease term at the commencement date of the lease to determine the present value of the lease payments. ROU assets for operating leases are calculated as the present value of the lease payments plus initial direct costs, plus any prepayments less any lease incentives received.

Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised without applying hindsight. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Lease expense is recognized on a straight-line basis over the lease term. The Organization may have lease arrangements with lease and non-lease components, which generally are accounted for separately. The Organization has elected to treat the lease and non-lease components as a single lease component. There may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments, which are comprised of share of real estate taxes, common area utilities and maintenance fees in portion to the space leased by the Organization, are recognized as a component of occupancy expenses in the statements of functional expenses in which the obligation for those payments were incurred.

##### [3] Fair value measurements:

The Organization values its investments based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

*Level 1* – Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

*Level 2* – Observable inputs other than *Level 1* inputs such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with market data.

*Level 3* – Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

The following is a description of the valuation methodologies used for investments measured at fair value:

Money market funds: Net asset value of money market funds approximate fair value because of the short-term nature of the holdings.

Mutual funds: Valued at the fair values of shares/units held by the Organization based on net asset value per share/unit published as of the last business day of the year.

## **FARM AID, INC.**

### **Notes to Financial Statements December 31, 2024 and 2023**

#### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **[4] Revenue and support:**

Contributions and grants are recorded as support without donor restrictions or support with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are classified as net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the restriction or expiration of the time restriction.

Contributions and grants, if unconditional, are recognized as support in the period received. The Organization determines whether a grant or contribution is conditional based on whether an agreement includes a barrier that must be overcome and whether a right of return of assets transferred exists. Conditional grants and contributions are not recognized as support until the conditions/barriers on which they depend are substantially met. The Organization also received certain government funded grants or subgrants whereby recognition of grant revenue is conditional upon incurrence of the project expenditures by the Organization as budgeted and/or review of such expenditures by the grantors. Support from government funded grants or subgrants, which were conditional support, were \$973,109 and \$486,437 for the years ended December 31, 2024 and 2023, respectively.

Certain government funded grants or subgrants that the Organization receives are cost reimbursement grants and contracts. These grants and contracts provide funding to be used for purposes indicated in the grant agreements. As the government is not receiving a benefit as a result of these transactions, the grants and contracts are considered to be contributions to the Organization. The grant and contract agreements contain specific service requirements. As these stipulations create a barrier that must be achieved, government grants and contracts are considered to be conditional contributions until such time as the barriers are overcome. Contributions from these grant and contract agreements are therefore recognized as revenue when costs are incurred and specific service requirements are met, as required by the agreements. Until the financial information required by the funding sources is accepted, costs billed for program services under cost reimbursement contracts are subject to review and possible disallowance. In management's opinion, the potential for material disallowances is remote and, therefore, is not a barrier that would prevent the recognition of revenue.

Sponsorships and contributions received for the festival and special events are recognized when the condition of performance is met by the Organization as the related festival or special event is held and are reported as contributions from festival and special events on the statements of activities and changes in net assets. The Organization provides nominal value to sponsors at the festival and special events which does not represent commensurate value to the sponsors. The Organization accounts for the arrangement as a nonreciprocal transaction. Sponsorships for the festival or special events received prior to the events is recorded as refundable advances.

Contributions of services are recognized as revenue at fair value only if the services received create or enhance non-financial assets or require specialized skills. These services are provided by individuals possessing those skills that would typically need to be purchased, if not provided by donation. In-kind contributions are recorded at fair value at the date of the donation. Other unpaid volunteers have donated significant amounts of time to the Organization and its programs and activities. The value of this contributed time is not reflected in these financial statements since it does not meet all of the criteria described above.

Festival and special events' ticket sales and event related revenues such as broadcasting income and merchandise sales at the festival, are recognized when the performance obligation is satisfied by the event or service taking place at a point in time. Event tickets are based on ticket price of similar musical events with similar exchanged benefits, and broadcasting revenue is based on a fixed amount agreed upon in contracts. Management has determined that these transactions are considered one performance obligation in accordance with Accounting Standards Codification ("ASC") Topic 606 and are reported as income from festival and special events on the statements of activities and changes in net assets.

## **FARM AID, INC.**

### **Notes to Financial Statements December 31, 2024 and 2023**

#### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **[4] Revenue and support: (continued)**

Revenues from all other sources, such as other online merchandise sales, licensing and program service income, are recognized when the related service or delivery takes place at a point in time, and these transactions are considered one performance obligation by management in accordance with ASC Topic 606.

Interest and dividends on investments are recorded when earned. Gains or losses are recorded when realized and unrealized gains or losses are recorded based upon changes in the fair value of investments held. Interest, dividends, realized and unrealized gains and losses on investments are recorded as other revenue and support, net of investment expenses, and certain amounts are restricted to use by the donor specifically for the Younkers-Farm Aid scholarship.

##### **[5] Cash:**

Cash consists primarily of deposits held in checking, sweep and saving accounts in banks.

##### **[6] Accounts, contributions and grants receivable:**

Accounts receivable consisted of customer accounts from program services and festival ticket balances and are stated at the amount management expects to collect on outstanding balances. The Organization maintains an allowance for expected credit losses resulting from the inability of customers and contractors to make payments. The Organization considers the following factors when determining the collectability of specific receivables: past experience with the customers and contractors, the aging of the receivable, source of the contractors' funding and other currently available evidence. If the financial condition of certain customers and contractors was to deteriorate, adversely affecting their ability to make payments, additional allowance for expected credit losses may be required. The Organization provides for expected uncollectible amounts through a charge to expense and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the accounts receivable.

There was no allowance for expected credit losses recorded at December 31, 2024 and 2023, as the balance in accounts receivable that was due from the festival contractor in the amount of \$109,586 and \$1,429,686, respectively, at December 31, 2024 and 2023, carried little to no credit risk. Accounts receivable from others at December 31, 2024 and 2023 were deemed immaterial by management and, therefore, no valuation for expected credit losses were deemed necessary.

Certain grants receivable consisted of requisition invoices for expenditures incurred in grant agreements funded by federal government agencies. Other contributions and grants receivable consisted of contributions and grants received for the general and program support of the Organization. Contributions and grants receivable expected to be collected within one year are reported at their net realizable value. Contributions and grants receivable expected to be collected in future years are reported at the net present value of estimated future cash flows. There was no allowance for doubtful accounts on contributions and grants receivable recorded at December 31, 2024 and 2023 as the entire balance in these accounts had been deemed by management to be fully collectible.

##### **[7] Merchandise inventory:**

Inventory, consisting primarily of merchandise, is stated at the lower of cost using the first in, first out method or their estimated net realizable values. Donated items are recorded at estimated fair value at the time of donation.

**FARM AID, INC.**

**Notes to Financial Statements  
December 31, 2024 and 2023**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[8] Furniture and equipment, net:**

Furniture and equipment, net are stated at acquisition cost, net of accumulated depreciation. Expenditures for major improvements are capitalized. Depreciation is recorded to allocate the cost of these assets over their estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Office equipment	3 years
Furniture and fixtures	3 years

Expenditures for maintenance and repairs are charged to expense when incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated and the resulting gain or loss, if any, is included in the statements of activities and changes in net assets.

**[9] Intangible assets:**

Website development and software development costs are capitalized if future benefits are deemed to exist beyond one year from the statements of financial position date. The Organization amortizes website development and software development costs over an estimated useful life of three years when they are placed into service.

**[10] Impairment of long-lived assets:**

Long-lived assets, such as furniture and equipment, intangible assets, and right-of-use assets are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Organization assesses factors such as significant under performance of its operations in relation to expectations, significant negative industry or economic trends, and utilization of services or carrying costs in deciding whether to perform an impairment review. Based on these qualitative factors, the Organization believed an impairment review was not necessary during years ended December 31, 2024 and 2023.

**[11] Grants payable:**

The Organization records a liability for unconditional grants when they have been approved by management or the Board of Directors. The Organization may require recipients to submit expenses incurred and/or financial reports. Grants that are considered conditional are recorded when the terms of such conditions/barriers are met or overcome.

**[12] Functional allocation of expenses:**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Expenses that can be identified with a specific program, supporting services, festival and special events are reported directly according to their natural expenditure classification. However, salaries and wages, employee benefits, payroll taxes, depreciation and amortization, occupancy, accounting services and certain insurance, printing and reproduction, other contractual services, and office overhead costs are allocated periodically during the fiscal year among the programs, supporting services, festival and special events based on the time and effort by each of the employees who provided services to the Organization.

## FARM AID, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [13] Use of accounting estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### [14] Subsequent events:

The Organization's management has evaluated the effect which subsequent events may have on these financial statements. Management's evaluation was completed on January 7, 2026, the date these financial statements became available to be issued. Other than a new lease agreement entered into as disclosed in Note N, no other events have occurred subsequent to the statements of financial position date and through the date of evaluation that meet the criteria required for disclosure or accrual.

##### [15] Income taxes:

The Organization operates as a tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code and its income is exempt from income taxes. The Organization is also exempt from Massachusetts income tax under Massachusetts General Law 180.

The Organization is subject to the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. The Organization has assessed its tax position taken and has determined that there are no uncertain tax positions that would require recognition of an asset or liability or disclosure as of December 31, 2024.

#### NOTE C - AVAILABILITY AND LIQUIDITY

The Organization's 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 dates at December 31, 2024 and 2023, are comprised of the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 8,615,812	\$ 9,051,319
Accounts receivable	113,996	1,434,014
Contributions and grants receivable	872,181	318,317
Investments	<u>355,866</u>	<u>360,222</u>
Total financial assets	9,957,855	11,163,872
Less amounts not available to be used within one year:		
Investments restricted to use by the donor		
specifically for the Younkens-Farm Aid scholarship	<u>(338,097)</u>	<u>(333,448)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 9,619,758</u>	<u>\$ 10,830,424</u>

## FARM AID, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### NOTE C - AVAILABILITY AND LIQUIDITY (CONTINUED)

For purposes of analyzing resources available to meet general expenditures within one year, the Organization considers all expenditures related to its ongoing programs, as well as the conduct of services undertaken to support those programs, to be general expenditures. As such, accounts, contributions and grants receivable that are expected to be collected beyond one year are excluded from the above analysis as available for general expenditure within one year. The Organization also maintains a line of credit of \$100,000, as disclosed in Note H, if additional operating funds are needed.

The Organization has identified a financial goal of establishing and maintaining a minimum of nine months of operating funds as sufficient operating and capital reserve funds – an imperative for sustainability of program delivery and organizational fiscal health. The festival brings a substantial stream of funding to the Organization in the third quarter of the fiscal year. With the financial performance of the festival being uncertain from year to year, maintaining and accessing the reserve funds judiciously enables the Organization to balance fiscal health, support programmatic activities and respond to new opportunities and needs.

#### NOTE D - CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consisted of \$872,181 and \$318,317 at December 31, 2024 and 2023, respectively, and are expected to be collected in less than one year from the date of the statements of financial position.

As of December 31, 2024 and 2023, the Organization has been awarded approximately \$3,969,000 and \$228,000, respectively, of subaward commitments from federal government sources that are conditional on the Organization incurring budgeted expenditures subject to review and approval under specific government rules and regulations.

#### NOTE E - INVESTMENTS

The following sets forth, by level within the fair value hierarchy, the financial assets reported at fair value on a recurring basis as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
	<u>Level 1</u>	<u>Level 1</u>
Money market fund	\$ 13,487	\$ 16,049
Mutual funds:		
Equity - domestic	55,397	67,106
Equity - international	13,731	16,820
Fixed income	273,251	260,247
	<u>\$ 355,866</u>	<u>\$ 360,222</u>

## FARM AID, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### NOTE F - FURNITURE AND EQUIPMENT

As of December 31, 2024 and 2023, furniture and equipment was as follows:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 24,978	\$ 24,978
Furniture & fixtures	<u>4,890</u>	<u>4,890</u>
	29,868	29,868
Less: accumulated depreciation	<u>(26,392)</u>	<u>(24,055)</u>
	<u>\$ 3,476</u>	<u>\$ 5,813</u>

Depreciation expense during the years ended December 31, 2024 and 2023 was \$2,337 and \$4,788, respectively.

#### NOTE G - INTANGIBLE ASSETS

As of December 31, 2024 and 2023, website development costs were as follows:

	<u>2024</u>	<u>2023</u>
Website development costs	\$ 130,208	\$ 130,208
Less: accumulated amortization	<u>(130,208)</u>	<u>(123,914)</u>
	<u>\$ -</u>	<u>\$ 6,294</u>

Amortization expense of website development costs during the years ended December 31, 2024 and 2023 was \$6,294 and \$8,498, respectively.

As of December 31, 2024 and 2023, software development costs were as follows:

	<u>2024</u>	<u>2023</u>
Software development costs	\$ 90,928	\$ 90,928
Less: accumulated amortization	<u>(90,928)</u>	<u>(61,734)</u>
	<u>\$ -</u>	<u>\$ 29,194</u>

Amortization expense of software development costs during the years ended December 31, 2024 and 2023 was \$29,194 and \$29,751, respectively.

## FARM AID, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### NOTE H - LINE OF CREDIT

The Organization maintains a \$100,000 line of credit to help finance short-term working capital requirements. The line of credit is collateralized by all of the Organization's assets and interest is payable monthly on outstanding balances at an interest rate of 2% above the Wall Street Journal prime rate. The outstanding principal balance is payable on demand. There was no outstanding balance on the line of credit at December 31, 2024 and 2023, and there were no borrowings on this line of credit during either year. The interest rate on the line of credit as of December 31, 2024 and 2023 was 9.25% and 10.50%, respectively.

#### NOTE I - IN-KIND SERVICES AND DONATED MATERIALS

The Organization received the following in-kind services and donated materials during the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Equipment rental and related services at festival	\$ 269,325	\$ 147,682
Catering services and food at festival	3,742	5,730
Other goods and services at festival	<u>9,000</u>	<u>-</u>
	<u>\$ 282,067</u>	<u>\$ 153,412</u>

The contributed services are reported at the fair value of these services provided at the festival based on the number of hours and market rate that would otherwise be charged by these professionals. The fair value of the in-kind equipment rental provided at the festival was based on market rental rate for similar equipment that would otherwise be charged by the vendors. The donated catering services, food and other goods are reported at the fair value based on market rate that would otherwise be charged for similar food items, goods and services. There were no donor restrictions on these contributions.

In-kind equipment rental and related services, donated catering services and food, and certain other donated goods and services are included in in-kind contributions from festival and special events in the statements of activities and changes in net assets for the years ended December 31, 2024 and 2023.

#### NOTE J - LEASE COMMITMENT

The Organization leased its office space under a non-cancellable lease agreement that expired on May 31, 2025. The lease required the Organization to pay base rent and its proportionate share of certain operating costs. Operating costs included items such as real estate taxes, common area utilities and maintenance. The lease agreement required a security deposit payment of \$7,500 which is reported as a component of security deposit on the statements of financial position. During the year ended December 31, 2024, lease cost of \$220,992 for the office space, which included \$218,912 of amortization of ROU assets and \$2,080 of accretion of the lease liabilities, is included in the occupancy expense on the statement of functional expenses. Variable non-lease operating costs of \$33,016 are also included in the occupancy expense on the statement of functional expenses for the year ended December 31, 2024. During the year ended December 31, 2023, lease cost of \$221,493 for the office space, which included \$220,152 of amortization of ROU assets and \$1,341 of accretion of the lease liabilities, is included in the occupancy expense on the statement of functional expenses. Variable non-lease operating costs of \$35,551 are also included in the occupancy expense on the statement of functional expenses for the year ended December 31, 2023.

## FARM AID, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### NOTE J - LEASE COMMITMENT (CONTINUED)

Cash paid for amounts included in the measurement of the lease liabilities for the years ended December 31, 2024 and 2023 were \$232,024 and \$225,193, respectively.

Lease liability maturities as of December 31, 2024 and 2023 are as follows:

<u>Year Ending December 31,</u>		
2024	\$ -	\$ 232,024
2025	<u>97,878</u>	<u>97,878</u>
Total lease payments	<b>97,878</b>	329,902
Less: discount to present value	<u>(166)</u>	<u>(685)</u>
Lease liabilities at December 31, 2024 and 2023, respectively	<u><b>\$ 97,712</b></u>	<u><b>\$ 329,217</b></u>

The remaining lease term of the Organization's operating office lease was 5 months and 1.42 years at December 31, 2024 and 2023, respectively. The discount rate of the Organization's operating office lease that was effective at December 31, 2024 was 1.03%, which was based on the risk free rate using a U.S. Treasury rate with a period comparable to the term of the lease.

#### NOTE K - RETIREMENT PLAN

The Organization maintains a Savings Incentive Match Plan for Employees of Small Employers ("SIMPLE"), which covers substantially all of its eligible employees. The plan allows participating employees to defer compensation up to the statutory limits imposed by the Internal Revenue Code. Employer matching contributions to the plan are up to 3% of employee compensation. The Organization contributed \$46,343 and \$39,053 to the plan for the years ended December 31, 2024 and 2023, respectively.

#### NOTE L - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Youngers - Farm Aid scholarship	\$ 338,097	\$ 333,448
Family farm disaster assistance in the Southeast	150,000	-
11th Hour documentary project	20,000	-
"Home Place Under Fire" film production	11,655	11,655
Keepseagle project for Native American farmers	-	11,092
Music festival record preservation and archive	-	54,340
	<u><b>\$ 519,752</b></u>	<u><b>\$ 410,535</b></u>

**FARM AID, INC.**

**Notes to Financial Statements  
December 31, 2024 and 2023**

**NOTE L - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets released from donor restrictions during the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Family farm disaster assistance in the Southeast	\$ 100,000	\$ -
Music festival record preservation and archive	54,340	-
Keepseagle project for Native American farmers	11,092	75,000
Younkers - Farm Aid scholarship	9,006	18,011
	<u>\$ 174,438</u>	<u>\$ 93,011</u>

The Organization’s Younkers-Farm Aid Agricultural Scholarship Fund was established by a donor in 1985 to provide agricultural-related scholarships at universities in the region in which the original donor conducted business.

In July 2018, Farm Aid was awarded \$219,285 in funding from the Keepseagle cy pres process, the Native American Agriculture Fast Track Fund (“NAAFTF”). NAAFTF funding continued to support Farm Aid’s work into 2024 to analyze and bolster the resource offerings specific to Native American farmers.

Farm Aid has raised funds to ensure that the media collection of concert performances and related footage is preserved. A system for the long-term care and continuous collection of archival materials is being established.

**NOTE M - CONCENTRATIONS**

The Organization has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation. The maximum deposit insurance amount is \$250,000, which is applied per depositor, per insured depository institution for each account ownership category.

Contributions from one donor comprised 25% of total revenue and support of the Organization for the year ended December 31, 2023.

One festival contractor, one federal agency and a third-party pass-through grantor organization of federal grants comprised 61% of total receivables at December 31, 2024. A festival contractor and a third-party pass-through grantor organization of a federal grant comprised 95% of total receivables at December 31, 2023.

**NOTE N - SUBSEQUENT EVENT**

In January 2025, the Organization executed a new office lease agreement with a commencement date of June 1, 2025, for one year with an automatic extension for another year through May 31, 2027, unless notification of termination is submitted six months in advance. Initial monthly base rent will be \$17,500. The Organization will be responsible for its proportionate share of certain operating costs such as real estate taxes, common area utilities and maintenance.