

COMMUNITY HARVEST PROJECT, INC.

FINANCIAL STATEMENTS

December 31, 2025

with summarized comparative financial information
as of and for the year ended December 31, 2024

WITH
INDEPENDENT AUDITOR'S REPORT

COMMUNITY HARVEST PROJECT, INC.

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	3 - 4
STATEMENT OF FINANCIAL POSITION	
December 31, 2025 with comparative financial information for the year ended December 31, 2024	5
STATEMENT OF ACTIVITIES	
For the year ended December 31, 2025 with summarized comparative financial information for the year ended December 31, 2024	6 - 7
STATEMENT OF FUNCTIONAL EXPENSES	
For the year ended December 31, 2025 with summarized comparative financial information for the year ended December 31, 2024	8
STATEMENT OF CASH FLOWS	
For the year ended December 31, 2025 with comparative financial information for the year ended December 31, 2024	9
NOTES TO FINANCIAL STATEMENTS	
December 31, 2025 with summarized comparative financial information as of and for the year ended December 31, 2024	10 - 19

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Harvest Project, Inc.
North Grafton, Massachusetts

Opinion

We have audited the accompanying financial statements of Community Harvest Project, Inc. (a nonprofit organization), 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 financial statements referred to above present fairly, in all material respects, the financial position of Community Harvest Project, Inc. as of December 31, 2025, and the changes in 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. 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 Community Harvest Project, 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.

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 Community Harvest 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.

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, including omissions, 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 Community Harvest 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 Community Harvest 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.

Report on Summarized Comparative Information

We have previously audited Community Harvest Project, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 22, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



July 17, 2026

COMMUNITY HARVEST PROJECT, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2025 with comparative financial information for the year ended December 31, 2024

ASSETS

	<u>2025</u>	<u>2024</u>
ASSETS:		
Cash and cash equivalents	\$ 345,509	\$ 313,315
Accounts receivable	3,250	6,300
Promises to give	0	25,000
Prepaid expenses	1,836	2,083
Beneficial interest in assets held by community foundation	1,942,676	1,734,214
Investments	2,933,132	2,640,214
Property and equipment, net	<u>2,147,760</u>	<u>2,177,203</u>
TOTAL ASSETS	<u>\$ 7,374,163</u>	<u>\$ 6,898,329</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable and accrued expenses	<u>\$ 34,402</u>	<u>\$ 17,414</u>
NET ASSETS:		
Without donor restrictions		
Undesignated	4,996,491	4,555,595
Designated by the Board for operating reserve	130,510	130,444
Invested in property and equipment	<u>2,147,760</u>	<u>2,177,203</u>
	7,274,761	6,863,242
With donor restrictions	<u>65,000</u>	<u>17,673</u>
Total net assets	<u>7,339,761</u>	<u>6,880,915</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,374,163</u>	<u>\$ 6,898,329</u>

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

COMMUNITY HARVEST PROJECT, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2025 with summarized
comparative financial information for the year ended December 31, 2024

	2025		2024
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Contributions and grants	\$ 722,995	\$ 130,000	\$ 852,995
In-kind contributions	20,075	0	20,075
Special events	91,586	0	91,586
Expense sharing	14,557	0	14,557
Program fees	5,429	0	5,429
Produce sales	34,897	0	34,897
Interest income	83,742	0	83,742
Net assets released from restrictions	82,673	(82,673)	0
Total revenue and support	1,055,954	47,327	1,103,281
EXPENSES:			
Program expenses	826,196	0	826,196
Supporting expenses:			
General and administrative	214,272	0	214,272
Fundraising	159,185	0	159,185
Total supporting expenses	373,457	0	373,457
Total program and supporting expenses	1,199,653	0	1,199,653
CHANGES IN NET ASSETS BEFORE OTHER CHANGES	(143,699)	47,327	(96,372)
			26,186

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

COMMUNITY HARVEST PROJECT, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2025 with summarized
comparative financial information for the year ended December 31, 2024

	2025		2024
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OTHER CHANGES:			
Net realized and unrealized gains(losses) on investments	<u>555,218</u>	<u>0</u>	<u>275,053</u>
TOTAL CHANGES IN NET ASSETS	411,519	47,327	301,239
NET ASSETS AT BEGINNING OF YEAR	<u>6,863,242</u>	<u>17,673</u>	<u>6,579,676</u>
NET ASSETS AT END OF YEAR	<u>\$ 7,274,761</u>	<u>\$ 65,000</u>	<u>\$ 6,880,915</u>

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

COMMUNITY HARVEST PROJECT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2025 with summarized
comparative financial information for the year ended December 31, 2024

	2025				2024
	Program Expenses	General and Administrative	Fundraising	Total	Total
Salaries and wages	\$ 403,433	\$ 55,511	\$ 117,025	\$ 575,969	\$ 519,193
Health benefits	30,991	0	0	30,991	20,881
Payroll taxes	33,198	4,568	9,630	47,396	43,445
Facility expenses	70,071	17,518	0	87,589	66,742
Professional fees	0	96,901	0	96,901	125,475
Office expenses	2,010	32,776	12,671	47,457	46,434
Insurance	20,953	5,238	0	26,191	29,254
Travel	3,464	0	402	3,866	2,634
Depreciation	136,595	1,760	0	138,355	139,870
Farm expenses	118,390	0	0	118,390	95,042
Other program expenses	7,091	0	0	7,091	11,244
Special events	0	0	19,457	19,457	17,522
	<u>\$ 826,196</u>	<u>\$ 214,272</u>	<u>\$ 159,185</u>	<u>\$ 1,199,653</u>	<u>\$ 1,117,736</u>

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

COMMUNITY HARVEST PROJECT, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025 with
comparative financial information for the year ended December 31, 2024

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES:		
Changes in net assets	\$ 458,846	\$ 301,239
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	138,355	139,870
Net realized and unrealized (gains) losses on investments	(555,218)	(275,053)
(Increase) decrease in prepaid expenses	247	(589)
Decrease (increase) in receivables	28,050	74,262
(Decrease) increase in accounts payable and accrued liabilities	16,988	(61,923)
Net cash provided by operating activities	<u>87,268</u>	<u>177,806</u>
INVESTING ACTIVITIES:		
Purchases of property and equipment	(108,912)	(228,292)
Additions to investments	(88,662)	(295,871)
Proceeds from sales of investments	142,500	80,000
Net cash used in investing activities	<u>(55,074)</u>	<u>(444,163)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32,194	(266,357)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>313,315</u>	<u>579,672</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 345,509</u>	<u>\$ 313,315</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
CASH PAID FOR:		
Interest	\$ 0	\$ 0
Taxes	0	0
NONCASH OPERATING ACTIVITIES:		
In-kind contributions	(20,075)	(10,383)
Program expenses	20,075	10,383

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

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

Note 1. PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Community Harvest Project (hereinafter the "Organization") began charitable work in 1998 and received tax exempt status as a not-for-profit corporation under the Laws and Statutes of the Commonwealth of Massachusetts in 2003. The Organization's purpose is to provide healthy food and nutrition education to solve the problem of hunger and food insecurity in the Worcester County area of Massachusetts. The Organization operates on two farms for the purpose of supplying Worcester County agencies with fresh produce and nutrition education. Contribution and fundraising revenues are used to cover the cost of operating the farm, providing nutrition education and engaging volunteers to provide labor on the farm.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization 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 projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for educational and training programs and sales of produce. The Organization determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. No allowance was considered necessary at December 31, 2025 or 2024.

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

Grants Receivable

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. No promises to give have been written off or deemed uncollectable. All promises to give are collectable within one year.

Property and Equipment

The Organization records property and equipment additions over \$1,000 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 ranging from 5 to 30 years, or in the case of leasehold improvements, the lesser of the useful life of the asset or the lease term. 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 statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

In 2023, the Organization signed an Agriculture Preservation Restriction (APR) limiting the use of land strictly for agricultural purposes in the future. Accordingly, the Organization wrote down the asset and recorded an impairment loss. There were no indicators of asset impairment during the years ended December 31, 2025 and 2024.

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

Beneficial Interest in Assets Held by Community Foundation

In February 2015, the Organization received a contribution from the William and Rose Abbott Trust and established an agency fund managed by The Greater Worcester Community Foundation. Variance power was granted to the Foundation, which allows the Foundation 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 Foundation's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Organization may withdraw funds in excess of the Foundations annual distribution amount without penalty. The fund is held and invested by the Foundation for the benefit of the Organization and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation.

Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

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 operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (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.

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, 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. Donated professional services are recorded at the respective fair values of the services received (Note 9).

Functional Allocation of Expenses

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

Income Taxes

The Organization has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(c)(3), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. We have determined that the Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

The Organization has adopted the guidance in the codification relating to uncertain tax positions. This guidance prescribes a two-step process for the measurement of uncertain tax positions that have been taken or are expected to be taken on a tax return. The first step is a determination of whether the tax position should be recognized in the financial statements. The second step determines the measurement of the tax position. Such positions for a nonprofit organization would include the nonprofit organization's status as an exempt entity, whether the organization's activities are related to its tax-exempt purpose and, if applicable, how the organization allocates revenue and expenses between its exempt purpose and unrelated business activities. The codification also provides guidance on de-recognition of such tax positions, classification, potential interest and penalties, and disclosures. No uncertain tax positions within the scope of the codification exist as of December 31, 2025 and 2024.

The Organization reports tax-related interest and penalties, if any, as a component of payroll tax expense.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us 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 Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. The amount on deposit may, at times, exceed federally insured limits of the institution and expose the Organization to a collection risk. The Organization does not believe it is subject to any significant credit risk. The Organization has not experienced any losses in such 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 generally due from foundations supportive of our mission. Investment performance is monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Subsequent Events

Subsequent events were evaluated through July 17, 2026, which is the date the financial statements were available to be issued.

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

Note 2. 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:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 280,509	\$ 295,642
Promises to give and receivables	<u>3,250</u>	<u>31,300</u>
	<u>\$ 283,759</u>	<u>\$ 326,942</u>

As part of our liquidity management plan, cash in excess of daily requirements is invested in interest bearing accounts.

Note 3. FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Organization 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 we can access 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, we develop inputs using the best information available in the circumstances.

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

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 our assessment of the quality, risk, or liquidity profile of the asset or liability.

The fair value of our beneficial interest in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered to be Level 3 measurements.

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled investments - Greater				
Worcester Community Foundation	\$ 0	\$ 0	\$ 1,942,676	\$ 1,942,676
Cash funds	31,362	0	0	31,362
Equities	1,368,557	0	0	1,368,557
Mutual funds and ETFs	<u>1,533,213</u>	<u>0</u>	<u>0</u>	<u>1,533,213</u>
	<u>\$ 2,933,132</u>	<u>\$ 0</u>	<u>\$ 1,942,676</u>	<u>\$ 4,875,808</u>

The following table presents assets measured at fair value on a recurring basis at December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled investments - Greater				
Worcester Community Foundation	\$ 0	\$ 0	\$ 1,734,214	\$ 1,734,214
Cash funds	29,532	0	0	29,532
Equities	1,222,962	0	0	1,222,962
Mutual funds and ETFs	<u>1,387,720</u>	<u>0</u>	<u>0</u>	<u>1,387,720</u>
	<u>\$ 2,640,214</u>	<u>\$ 0</u>	<u>\$ 1,734,214</u>	<u>\$ 4,374,428</u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 1,734,214	\$ 1,551,762
Additions to investment	0	0
Net realized and unrealized gains (losses)	232,522	205,171
Management fees	(24,060)	(22,719)
Ending balance	<u>\$ 1,942,676</u>	<u>\$ 1,734,214</u>

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

There were no assets measured at fair value on a non-recurring basis at December 31, 2025

Note 4. PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Within one year	\$ 0	\$ 25,000
In one to five years	0	0
Over five years	0	0
	<u>\$ 0</u>	<u>\$ 25,000</u>

At December 31, 2024, one donor accounted for 100% of total promises to give.

Promises to give in 2024 were for the acquisition of land and a barn, as well as program costs.

Note 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 668,518	\$ 668,518
Buildings and improvements	1,759,074	1,703,888
Farm equipment	884,800	831,074
Office equipment	14,384	14,384
	<u>3,326,776</u>	<u>3,217,864</u>
Less accumulated depreciation	<u>1,179,016</u>	<u>1,040,661</u>
	<u>\$ 2,147,760</u>	<u>\$ 2,177,203</u>

Depreciation expense was \$138,355 and \$139,870 at December 31, 2025 and 2024, respectively.

Note 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for a specific purpose:		
Capital purchases	<u>\$ 65,000</u>	<u>\$ 17,673</u>

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Satisfaction of purpose restrictions:		
Program expenses	\$ 0	\$ 33,000
Consulting	0	25,000
Capital purchases	<u>82,673</u>	<u>2,502</u>
	<u>\$ 82,673</u>	<u>\$ 60,502</u>

Note 7. NET ASSETS DESIGNATED BY THE BOARD

Net assets, consisting of cash, without donor restrictions is designated by the Board of Directors for the following purpose at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating reserve	<u>\$ 130,510</u>	<u>\$ 130,444</u>

Note 8. FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

Note 9. IN-KIND CONTRIBUTIONS

We received donated materials as follows during the years ended December 31, 2025 and 2024:

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
<u>December 31, 2025</u>				
Supplies	<u>\$ 5,050</u>	<u>\$ 2,499</u>	<u>\$ 12,526</u>	<u>\$ 20,075</u>
<u>December 31, 2024</u>				
Supplies	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,383</u>	<u>\$ 10,383</u>

COMMUNITY HARVEST PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 with summarized comparative financial information
as of and for the year ended December 31, 2024

Contributed supplies are valued using estimated market prices of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed supplies are used in program, administrative services and for fundraising events.

Note 10. EMPLOYEE BENEFITS

The Organization sponsors a retirement plan qualifying under IRC Section 401(k) covering substantially all full-time employees. The plan provides that employees may voluntarily contribute up to the maximum deferral allowed by the IRS. The plan does not require the Organization to make matching contributions for the plan year. During the years ended December 31, 2025 and 2024, the Organization made no matching contributions to the plan.

The Organization also sponsors a Qualified Small Employer Health Reimbursement Account (QSEHRA) to cover the cost of health insurance premiums purchased thru the Health Insurance Marketplace. Employees working more than 30 hours a week are eligible on the first day of service. The Organization reimburses employees annually up to a maximum of \$4,200 for individual plans and \$6,000 for employees with qualifying dependents. The total cost of the plan was \$30,991 and \$20,881 for the years ending December 31, 2025 and 2024, respectively.

Note 11. LINE OF CREDIT

The Organization has a \$25,000 revolving line of credit with an area bank, secured by all business assets. Borrowing under the line bears interest at the prime rate plus 2.00%. At December 31, 2025 and 2024, there were no outstanding balances.

Note 12. RISKS AND UNCERTAINTIES

The Organization has assets held by a community foundation invested in diversified investment securities and a managed portfolio consisting of mutual funds. Investment securities and mutual funds are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the statement of financial position.