

**WHITE FEATHER FARM, INC.
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

DECEMBER 31, 2022

White Feather Farm, Inc.
December 31, 2022

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities and Change in Net Assets	5
Statement of Cash Flows	6
Statement of Financial Statements	7 – 12
SUPPLEMENTARY INFORMATION	
Statement of Functional Expenses	13

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
White Feather Farm, Inc.

Opinion

We have audited the accompanying financial statements of White Feather Farm Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and the related statements of activities 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 White Feather Farm Inc. as of December 31, 2022, 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 State of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards with 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 White Feather Farm 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 statement 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 presentation 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 of events, considered in the aggregate, that raise substantial doubt about White Feather Farm 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 White Feather Farm 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 White Feather Farm 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Coopersmith Simon & Vogel P.C.
Certified Public Accountants
Uniondale, NY 11553
August 22, 2023

White Feather Farm, Inc.
Statement of Financial Position
December 31, 2022

ASSETS**Current Assets**

Cash \$ 57,855

Prepaid Expenses and Other Assets 16,078

Total Current Assets 73,933

Property and Equipment - net 1,713,937

TOTAL ASSETS \$ 1,787,870

LIABILITIES AND NET ASSETS**Current Liabilities**

Accounts Payable and Accrued Expenses \$ 94,045

Total Current Liabilities 94,045

Net Assets - without donor restrictions 1,693,825

TOTAL LIABILITIES AND NET ASSETS \$ 1,787,870

See Accompanying Notes and Independent Auditor's Report

White Feather Farm, Inc.
Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2022

REVENUE AND OTHER SUPPORT-WITHOUT DONOR RESTRICTIONS

Contributions	\$ 1,384,990
Produce sales	42,649
Net realized and unrealized losses on investments	(30,684)
Dividend and interest income	<u>10,157</u>
Total revenue and other support - without donor restrictions	<u>\$ 1,407,112</u>

EXPENSES

Program services	\$ 631,485
General and administrative	900,064
Fund raising	<u>127,367</u>
Total expenses	<u>\$ 1,658,916</u>

CHANGE IN NET ASSETS	(251,804)
Net Assets - Without Donor Restrictions, Beginning of Year	<u>1,945,629</u>

NET ASSETS - WITHOUT DONOR RESTRICTIONS	
END OF YEAR	<u>\$ 1,693,825</u>

See Accompanying Notes and Independent Auditor's Report

White Feather Farm, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2022

Cash Flows from Operating Activities

Increase (Decrease) in Net Assets	\$ (251,804)
Adjustments to Reconcile Changes in Net Assets to Cash Provided by Operating Activities	
Depreciation and Amortization	30,503
Add Realized and Unrealized Losses on Investment	11,649
(Increase) Decrease in Prepaid Expenses and Other Assets	(4,518)
Increase (Decrease) in Accounts Payable and Accrued Expenses	<u>81,307</u>
 Net Cash (Used For) Operating Activities	 <u>(132,863)</u>

Cash Flows From Investing Activities

Proceeds of Sale of Investments	483,585
Purchase of Investments	(397,946)
Purchase of Property and Equipment	<u>(82,626)</u>
 Net Cash Provided By Investing Activities	 <u>3,013</u>

NET INCREASE (DECREASE) IN CASH	(129,850)
 CASH - BEGINNING OF YEAR	 <u>187,705</u>
 CASH - END OF YEAR	 <u><u>\$ 57,855</u></u>

Supplemental Disclosures of Cash Flow Information

Cash paid during the year for:

Interest Expense	<u>0</u>
Income Taxes	<u>0</u>

See Accompanying Notes and Independent Auditor's Report

**White Feather Farm, Inc.
Notes to Financial Statements
December 31, 2022**

NOTE 1 ORGANIZATION

White Feather Farm, Inc. was incorporated on January 14, 2020 under the laws of the State of New York as a not-for profit corporation. The Organization was created to provide research and execute regenerative farming, small scale farming and soil intensive practices as well as providing educational workshops towards that end. The Organization also provides events that highlight the work of the organization and offers residency programs.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Financial Statement Preparation

For purposes of financial reporting the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. At December 31, 2022 the Organization only had net assets without donor restrictions.

Method of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Contributions

Contributions received were all unrestricted and available for general use.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions unless restricted by explicit donor stipulation or by law. Revenue is recognized when the income is earned and is reported as increases in unrestricted net assets. In the year ended December 31, 2022 all revenue received was without donor restrictions.

**White Feather Farm, Inc.
Notes to Financial Statements
December 31, 2022**

Cash and Cash Equivalents

The Organization defines cash and cash equivalents as highly liquid, short-term investments with a maturity date of three months or less from the date of acquisition. Cash in excess of FDIC and similar insurance coverages are subject to the usual banking risks of funds in excess of those limits.

Income Tax

The Internal Revenue Service has determined that the organization is exempt from US income tax under section 501(c)(3) of the US Internal Revenue Code. The organization is also exempt from state income tax. Any unrelated business income may be subject to taxation. There was no unrelated business income tax recorded for year ended December 31, 2022. The organization's income tax returns for the years ending after December 31, 2021 are subject to examination by the respective taxing authorities.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**White Feather Farm, Inc.
Notes to Financial Statements
December 31, 2022**

Property and Equipment

Property and equipment purchased is capitalized at cost or, if donated, at estimated market value on the date of the gift. Major expenditures for property which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and any resulting gains or losses are included in other support. Depreciation is computed using the straight line method based on the estimated useful lives of the assets.

Compensated Absences

The employees of the company are entitled to compensated absences for sick pay and personal time off which have not been accrued since they can't be reasonably estimated.

Functional Allocation of Expenses

The cost of providing the various programs and supporting services has been summarized by function in the accompanying Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among program services and general and administrative supporting services in ratios as determined by management.

Advertising Expenses

All costs of advertising are expensed as incurred. The Organization incurred \$3,949 of advertising expenses for the year ended December 31, 2022.

NOTE 3

AVAILABILITY AND LIQUIDITY

The following represents White Feather Farm, Inc's financial assets at December 31, 2022:

**White Feather Farm, Inc.
Notes to Financial Statements
December 31, 2022**

Financial assets at year end:	
Cash and cash equivalents	<u>\$ 57,855</u>
Financial assets available to meet general expenditures over the next twelve months	\$ 57,855

White Feather Farm, Inc. in 2023 has received approximately \$1,500,000 in contributions to meet their general expenditures for the next twelve months.

NOTE 4 RISKS AND UNCERTAINTIES

The Organization's cash is maintained at several banks. There is credit risk to the extent that cash exceeds \$250,000, the amount covered by Federal Deposit Insurance Corporation. As of December 31, 2022 there were no accounts in the same bank whose total balances exceeded the covered amount.

The Organization received funding from Foundation related parties that contributed 99% of the contributions for the year ended December 31, 2022. The contributions totaled approximately \$1,370.00 for the year ended December 31, 2022. In addition, the land on which the Organization performs its exempt function is owned by an LLC. One of the members of the LLC is an individual who serves on the board of this organization. The members of the LLC have agreed that the leasehold improvements built on the land by the Organization will be accepted in lieu of rent and therefore, have been recorded as rent expense in the amount of \$25,139.

White Feather Farm, Inc.
Notes to Financial Statements
December 31, 2022

NOTE 5 PROPERTY AND EQUIPMENT

Major classes of Property and Equipment consists of the following at December 31, 2022:

Land	\$ 1,553,954
Computer & Equipment	69,684
Furniture & Fixtures	31,508
Leasehold Improvements	43,340
Vehicles	<u>65,427</u>
	\$ 1,763,913
Less Accumulated Depreciation	<u>49,976</u>
Property and Equipment - Net	<u>\$ 1,713,937</u>

Depreciation expense for the year ended December 31, 2022 was \$30,503

NOTE 6 REVENUE RECOGNITION

Under ASU 2014-09 revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature of the amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. Management has determined this ASU does not have a significant impact on the financial statements.

**White Feather Farm, Inc.
Notes to Financial Statements
December 31, 2022**

NOTE 7 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 22, 2023 which is the date the financial statements were available to be issued.

In May of 2023, The Foundation entered into a separation agreement with a former employee in the amount of \$245,000.

White Feather Farm, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Total	Program Services	General & Administrative	Fundraising
Events	\$ 51,330	0	0	\$ 51,330
Salaries	706,051	265,823	371,124	69,104
Payroll Taxes	54,284	20,751	28,139	5,394
Payroll Service Fees	4,616	1,766	2,392	458
Farm Supplies	57,589	10,867	46,722	0
Advertising	3,949	2,868	0	1,081
Bank Fees	2,625	0	2,625	0
Grounds Maintenance	113,470	9,531	103,939	0
Auto and Truck	6,809	1,959	4,850	0
Rent	25,139	25,139	0	0
Utilities	40,151	10,966	29,185	0
Insurance	181,301	67,483	113,818	0
Legal, Accounting and Consultants	226,603	92,453	134,150	0
Office Expenses and Supplies	70,153	37,536	32,617	0
Grants	84,343	84,343	0	0
Depreciation	30,503	0	30,503	0
TOTAL EXPENSES	\$ 1,658,916	\$ 631,485	\$ 900,064	\$ 127,367

See accompanying notes and independent auditor's report