Coastal Roots Farm

FINANCIAL STATEMENTS

Years Ended September 30, 2025 and 2024

Aldrich

COASTAL ROOTS FARM

Financial Statements

Years Ended September 30, 2025 and 2024

Table of Contents

	Page
Independent Auditor’s Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9

Aldrich CPAs + Advisors LLP
7676 Hazard Center Drive, Suite 550
San Diego, CA 92108

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coastal Roots Farm
Encinitas, California

Opinion

We have audited the accompanying financial statements of Coastal Roots Farm (a nonprofit organization), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coastal Roots Farm as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coastal Roots Farm'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 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 Coastal Roots Farm'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 Coastal Roots Farm'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.

Aldrich CPAs + Advisors LLP

San Diego, California
February 20, 2026

COASTAL ROOTS FARM

Statements of Financial Position

September 30, 2025 and 2024

ASSETS	2025	2024
Current Assets:		
Cash	$ 162,267	$ 74,863
Accounts receivable	1,603	9,712
Current portion of promises to give	175,000	430
Prepaid expenses	64	1,381
Total Current Assets	338,934	86,386
Promises to Give, net of current portion	150,000	-
Property and Equipment, net of accumulated depreciation	276,320	282,938
Total Assets	$ 765,254	$ 369,324
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 70,406	$ 35,218
Accrued expenses	261,910	227,019
Current portion of note payable	15,000	95,000
Total Current Liabilities	347,316	357,237
Note Payable, net of current portion	80,000	-
Total Liabilities	427,316	357,237
Net Assets:		
Without donor restrictions	(67,562)	(74,013)
With donor restrictions	405,500	86,100
Total Net Assets	337,938	12,087
Total Liabilities and Net Assets	$ 765,254	$ 369,324

See accompanying notes to financial statements.

COASTAL ROOTS FARM

Statement of Activities

Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	$ 2,119,134	$ 796,353	$ 2,915,487
Farm income	746,748	-	746,748
Contributed nonfinancial assets	709,419	-	709,419
Net assets released from restrictions	476,953	(476,953)	-
Total Revenue and Support	4,052,254	319,400	4,371,654
Expenses:			
Program services:			
Education	1,632,393	-	1,632,393
Production	1,406,777	-	1,406,777
Other programs	233,224	-	233,224
Total Program Services	3,272,394	-	3,272,394
Supporting services:			
Management and general	376,282	-	376,282
Fundraising	397,127	-	397,127
Total Supporting Services	773,409	-	773,409
Total Expenses	4,045,803	-	4,045,803
Change in Net Assets	6,451	319,400	325,851
Net Assets, beginning	(74,013)	86,100	12,087
Net Assets, ending	$ (67,562)	$ 405,500	$ 337,938

See accompanying notes to financial statements.

COASTAL ROOTS FARM

Statement of Activities

Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	$ 1,160,222	$ 406,617	$ 1,566,839
Farm income	670,516	-	670,516
Contributed nonfinancial assets	661,548	-	661,548
Gain on disposal	13,197	-	13,197
Net assets released from restrictions	437,310	(437,310)	-
Total Revenue and Support	2,942,793	(30,693)	2,912,100
Expenses:			
Program services:			
Production	1,405,684	-	1,405,684
Education	1,389,950	-	1,389,950
Other programs	238,485	-	238,485
Total Program Services	3,034,119	-	3,034,119
Supporting services:			
Management and general	290,624	-	290,624
Fundraising	318,404	-	318,404
Total Supporting Services	609,028	-	609,028
Total Expenses	3,643,147	-	3,643,147
Change in Net Assets	(700,354)	(30,693)	(731,047)
Net Assets, beginning	626,341	116,793	743,134
Net Assets, ending	$ (74,013)	$ 86,100	$ 12,087

See accompanying notes to financial statements.

COASTAL ROOTS FARM

Statement of Functional Expenses

Year Ended September 30, 2025

	Program Services			Supporting Services		
	Education	Production	Other Programs	Management and General	Fundraising	Total
Payroll and related expenses	$ 1,057,159	$ 856,931	$ 219,159	$ 228,545	$ 353,469	$ 2,715,263
In-kind rent	339,888	353,531	-	-	-	693,419
Other	43,070	21,497	1,559	33,933	9,217	109,276
Supplies	23,484	43,172	6,187	15,556	12,299	100,698
Common area maintenance	74,976	20,031	-	-	-	95,007
Consulting	35,179	10,360	1,496	33,185	7,775	87,995
Depreciation	6,110	45,769	-	-	-	51,879
Bank fees	13,342	3,020	113	18,306	7,185	41,966
Utilities	7,749	26,697	-	2,434	-	36,880
Repairs and maintenance	2,406	15,826	1,566	4,642	216	24,656
Insurance	4,386	5,848	-	11,537	1,462	23,233
System support	-	-	-	19,887	-	19,887
Professional fees	8,766	1,496	119	3,211	1,177	14,769
Marketing	7,510	-	1,141	-	1,902	10,553
Meal and entertainment	2,844	764	343	3,330	558	7,839
Office	3,934	1,571	632	1,003	-	7,140
Conference	1,546	120	-	713	1,925	4,304
Cost of goods sold	-	-	848	-	-	848
Taxes	44	144	61	-	(58)	191
Total Expenses	$ 1,632,393	$ 1,406,777	$ 233,224	$ 376,282	$ 397,127	$ 4,045,803

See accompanying notes to financial statements.

COASTAL ROOTS FARM

Statement of Functional Expenses

Year Ended September 30, 2024

	Program Services			Supporting Services		
	Education	Production	Other Programs	Management and General	Fundraising	Total
Payroll and related expenses	$ 939,906	$ 783,777	$ 207,447	$ 231,518	$ 304,083	$ 2,466,731
In-kind rent	210,321	421,227	-	-	-	631,548
Supplies	47,431	50,182	10,618	139	410	108,780
Other	51,667	9,777	2,636	11,841	3,941	79,862
Common area maintenance	62,172	15,543	-	-	-	77,715
Consulting	23,494	1,750	1,556	30,114	1,075	57,989
Repairs and maintenance	6,422	43,341	2,768	802	26	53,359
Depreciation	3,854	38,470	-	155	-	42,479
Utilities	4,900	28,179	-	2,271	-	35,350
Insurance	4,680	6,241	-	6,830	1,560	19,311
Marketing	6,976	599	10,222	-	1,099	18,896
Bank fees	11,786	2,040	24	445	1,792	16,087
Professional fees	6,790	355	-	843	610	8,598
Conference	5,208	992	48	25	2,110	8,383
System support	1,569	882	557	4,311	292	7,611
Meal and entertainment	1,499	472	261	1,089	1,183	4,504
Office	1,260	1,836	965	213	223	4,497
Cost of goods sold	-	-	1,229	-	-	1,229
Taxes	15	21	154	28	-	218
Total Expenses	$ 1,389,950	$ 1,405,684	$ 238,485	$ 290,624	$ 318,404	$ 3,643,147

See accompanying notes to financial statements.

COASTAL ROOTS FARM

Statements of Cash Flows

Years Ended September 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ 325,851	$ (731,047)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	51,879	42,479
Gain on disposal of property and equipment	-	(13,197)
Noncash property and equipment additions	-	(30,000)
Changes in operating assets and liabilities:		
Accounts receivable	8,109	(9,332)
Promises to give	(324,570)	99,187
Prepaid expenses	1,317	2,727
Accounts payable	35,188	(14,642)
Accrued expenses	34,891	60,908
Net Cash Provided (Used) by Operating Activities	132,665	(592,917)
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	(45,261)	(49,128)
Cash Flows Provided by Financing Activities:		
Leichtag loan	-	95,000
Net Increase (Decrease) in Cash	87,404	(547,045)
Cash, beginning	74,863	621,908
Cash, ending	$ 162,267	$ 74,863

See accompanying notes to financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities
Coastal Roots Farm (Farm) was formed as a tax-exempt organization on October 17, 2014, and began operations on January 1, 2016. The Farm's mission is to cultivate healthy, connected communities by integrating sustainable agriculture, food justice, and ancient Jewish wisdom. The Farm is sustained by contributed income connected to its impact initiatives, Regenerative Agriculture, Equitable Food Access, Environmental Education, and Jewish Life.

Financial Statement Presentation
The financial statements of the Farm have been prepared in accordance with generally accepted accounting principles (US GAAP), which require the Farm to report information regarding its financial position and activities according to the following net asset classification:

> 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 Farm. These net assets may be used at the discretion of the Farm's management.
>
> 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 Farm 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 Farm did not have any donor restrictions that were perpetual in nature for the years ended September 30, 2025 and 2024.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates
The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable
The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding receivables at the end of the period, as well as the credit loss write-offs experienced in the past and expected future credit losses, and establish an allowance for credit losses for uncollectable amounts. No allowance was considered necessary at September 30, 2025 and 2024, because management believes all amounts are collectable.

Unconditional Promises to Give
Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are discounted to their estimated net present value. After promises to give are originally recorded, an allowance for uncollectable promises to give may be established based on specific circumstances.

Property and Equipment
The Farm capitalizes all expenditures for property and equipment in excess of $2,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of five to seven years.

Revenue Recognition
The Farm recognizes revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Farm expects to be entitled in exchange for those goods or services.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Revenue Recognition, continued
The Farm earns revenue from contracts with customers through farm income which is comprised of revenues from the farm stand, composting, camps, and community events. Revenues are accounted for under ASC Topic 606. The Farm recognizes revenue from contracts with customers when its performance obligations are satisfied, regardless of the period in which it is billed. This is typically at the point in time when the performance obligation is completed. Sales contain a single delivery element and revenue is recognized at a single point in time when ownership, risks and rewards transfer.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Contributed Materials, Equipment and Services
Donated materials and equipment, with significant determinable values, are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Such items are capitalized or charged to operations as appropriate. The Farm receives donated services from unpaid volunteers who assist in program services. No amounts have been recognized in the statements of activities for these services because the criteria for recognition as contributions of such volunteer efforts have not been satisfied. The fair market values of contributed professional services are reported as support and expense in the period in which the services are performed.

Fair Value Measurements
The Farm defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Farm applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

The carrying value of cash, receivables, and payables approximates fair value as of September 30, 2025, due to the relative short maturities of these instruments.

Income Taxes
The Farm is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from California franchise and income tax under section 23701(d) of the Revenue and Taxation code. However, the Farm remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Income Taxes, continued
The Farm follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Farm recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Farm has no uncertain tax positions at September 30, 2025 and 2024 and therefore no amounts have been accrued.

The Farm files income tax returns in the United States and various state and local jurisdictions.

Functional Allocation of Expenses
The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Payroll and related expenses and in-kind consulting services are allocated based off time and effort. All other expenses are broken out by accounts and can be directly charged to the appropriate function based on actual expenses.

Subsequent Events
The Farm has evaluated subsequent events through February 20, 2026, which is the date the financial statements were available to be issued.

Note 2 - Concentrations of Credit Risk

The Farm maintains cash accounts at various financial institutions. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each financial institution are insured by the FDIC up to $250,000.

During the years ended September 30, 2025 and 2024, the Farm had two donors and zero donors that comprised of 94% and 0% of promises to give, respectively.

During the years ended September 30, 2025 and 2024, the Farm had two donors and zero donors that comprised of 33% and 0% of contribution revenue, respectively.

Note 3 - Liquidity and Availability

The following reflects the Farm's financial assets as of the statement of financial position date, reduced by amounts not available for general use due to contractual or donor-imposed restriction within one year of the statement of financial position date.

	2025	2024
Financial assets at year end:		
Cash	$ 162,267	$ 74,863
Accounts receivable	1,603	9,712
Current portion of promises to give	175,000	430
Total Financial Assets	338,870	85,005
Less amounts not available to be used within one year:		
Restricted by donor with purpose or time restrictions	80,500	86,100
Financial assets available to meet cash needs for general expenditures within one year	$ 258,370	$ (1,095)

Note 3 - Liquidity and Availability, continued

The Farm has certain donor-restricted assets limited to use for programs or specific purpose which are ongoing, major and central to its annual operations which are available to meet cash needs for general expenditures for those programs and purposes within one year in the normal course of operations. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Farm considers all expenditures related to its ongoing activities to be general expenditures.

The Farm manages its liquidity and reserves through maintaining and reviewing budget to actual amounts and forecasted cash flows on a regular basis. The Farm also operates within a prudent range of financial soundness and stability and constantly maintains adequate liquid assets to fund near term operating needs.

Note 4 - Promises to Give

Promises to give consist of the following:

	2025	2024
Due within one year	$ 175,000	$ 430
Due within one to five years	150,000	-
	$ 325,000	$ 430

No allowance was considered necessary at September 30, 2025 and 2024, respectively, because management believes that all amounts are collectable. No discount was considered necessary at September 30, 2025 and 2024 due to the minimal effect it would have on the financial statements.

Note 5 - Property and Equipment

Property and equipment consist of the following:

	2025	2024
Machinery and equipment	$ 432,995	$ 432,995
Other	110,952	65,691
	543,947	498,686
Less accumulated depreciation	(267,627)	(215,748)
	$ 276,320	$ 282,938

Note 6 - Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the statement of activities include:

	2025	2024
Rent	$ 693,419	$ 631,548
Program supplies	16,000	-
Vehicles	-	30,000
Total contributed nonfinancial assets	$ 709,419	$ 661,548

Note 6 - Contributed Nonfinancial Assets, continued

The Farm recognized contributed nonfinancial assets within revenue, including rent, program supplies, and vehicles. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed rent includes leasable real property that was utilized for program services. The Farm has recognized contributed rent equal to the fair market value of this rent for real property.

Contributed program supplies were utilized for program services. In valuing program supplies, the Farm estimated the fair value on the basis of comparable sales price. Contributed program supplies are included in supplies expense on the statements of functional expenses.

Contributed vehicles were utilized for program and supporting services. The Farm has recognized contributed vehicles equal to the fair market value for similar vehicles.

In addition to amounts recognized in the statements of activities, management estimates the Farm received approximately 1,802 and 2,933 volunteer hours for the years ended September 30, 2025 and 2024, respectively.

Note 7 - Restrictions on Net Assets

Net assets with donor restrictions consist of the following:

	2025	2024
Purpose restrictions:		
Education programs	$ 56,500	$ 35,027
Farm production	5,000	39,700
Distribution program	19,000	11,373
	80,500	86,100
Time restricted:		
General operating	325,000	-
	$ 405,500	$ 86,100

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	2025	2024
Purpose restrictions:		
Education programs	$ 269,880	$ 209,480
Farm production	113,200	139,310
Distribution program	48,873	58,520
Vehicles and equipment	45,000	30,000
	$ 476,953	$ 437,310

Note 8 - Note Payable

On August 8, 2024, the Farm entered into a loan agreement with the Leichtag Foundation. The loan is up to the amount of $185,000 at an interest rate of 0% and is based on the cash needs of the Farm. As of September 30, 2025 and 2024, the outstanding loan was in the amount of $95,000.

Note 8 - Note Payable, continued

Future principal payments of long-term debt at September 30, 2025 are as follows:

Year Ending September 30,		
2026	$	15,000
2027		20,000
2028		20,000
2029		20,000
2030		20,000
Total	$	95,000