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To the Board of Directors  
Factory Farming Awareness Coalition  
Portland, Oregon  

INDEPENDENT AUDITORS' REPORT  

Opinion  

We have audited the financial statements of Factory Farming Awareness Coalition (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 Factory Farming Awareness Coalition as of June 30, 2022, and the change in its net assets, functional expenses and its cash flows for the year then ended in conformity 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 Factory Farming Awareness Coalition 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 Factory Farming Awareness Coalition’s ability to continue as a going concern for twelve months.  

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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Factory Farming Awareness Coalition’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 Factory Farming Awareness Coalition’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.

ROJAS & ASSOCIATES, CPAs

Sacramento, California
December 28, 2023
ASSETS

Cash and cash equivalents $1,149,180
Other current assets 274
Prepaid expenses 1,778

TOTAL ASSETS $1,152,232

LIABILITIES AND NET ASSETS

Current Liabilities:
Accounts payable and accrued expenses $ 9,467
Accrued payroll liabilities 14,086
Accrued paid leave 12,208
Total current liabilities 35,761

Net Assets:
Without donor restrictions 1,115,471
With donor restrictions 0
Total net assets 1,115,471

TOTAL LIABILITIES AND NET ASSETS $1,152,232

See independent auditors’ report and notes to financial statements.
FACTORY FARMING AWARENESS COALITION  
PORTLAND, OREGON  

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
JULY 1, 2021 TO JUNE 30, 2022

<table>
<thead>
<tr>
<th>REVENUES AND SUPPORT</th>
<th>Without donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$1,064,879</td>
<td>$122,500</td>
<td>$1,187,379</td>
</tr>
<tr>
<td>Donated goods and services</td>
<td>8,620</td>
<td>0</td>
<td>8,620</td>
</tr>
<tr>
<td>Program income</td>
<td>825</td>
<td>0</td>
<td>825</td>
</tr>
<tr>
<td>Other revenue</td>
<td>490</td>
<td>0</td>
<td>490</td>
</tr>
<tr>
<td>Total revenues and support</td>
<td>1,202,737</td>
<td>(127,923)</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
</tr>
<tr>
<td>General and Administration</td>
</tr>
<tr>
<td>Fundraising</td>
</tr>
<tr>
<td>Total expenses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>144,919 (5,423)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, as of the beginning of the year</td>
</tr>
<tr>
<td>Net assets, as of the end of the year</td>
</tr>
</tbody>
</table>

See independent auditors’ report and notes to financial statements.
## FACTORY FARMING AWARENESS COALITION
PORTLAND, OREGON

### STATEMENT OF FUNCTIONAL EXPENSES
JULY 1, 2021 TO JUNE 30, 2022

<table>
<thead>
<tr>
<th>Category</th>
<th>Program Services</th>
<th>Administration</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and publicity</td>
<td>$21,256</td>
<td>$0</td>
<td>$0</td>
<td>$21,256</td>
</tr>
<tr>
<td>Awards and grants</td>
<td>609</td>
<td>839</td>
<td>331</td>
<td>1,779</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>0</td>
<td>111</td>
<td>1,851</td>
<td>1,962</td>
</tr>
<tr>
<td>Computer and software expenses</td>
<td>11,969</td>
<td>18,174</td>
<td>6,101</td>
<td>36,244</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>13</td>
<td>21,517</td>
<td>0</td>
<td>21,530</td>
</tr>
<tr>
<td>Insurance</td>
<td>0</td>
<td>3,386</td>
<td>0</td>
<td>3,386</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>593</td>
<td>3,154</td>
<td>460</td>
<td>4,207</td>
</tr>
<tr>
<td>Office expenses</td>
<td>599</td>
<td>789</td>
<td>116</td>
<td>1,504</td>
</tr>
<tr>
<td>Payroll taxes and workers comp</td>
<td>46,947</td>
<td>16,753</td>
<td>3,378</td>
<td>67,078</td>
</tr>
<tr>
<td>Professional fees</td>
<td>41,780</td>
<td>26,195</td>
<td>1,108</td>
<td>69,083</td>
</tr>
<tr>
<td>Registration fees</td>
<td>0</td>
<td>90</td>
<td>3,090</td>
<td>3,180</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>609,440</td>
<td>123,353</td>
<td>43,395</td>
<td>776,188</td>
</tr>
<tr>
<td>Supplies</td>
<td>452</td>
<td>294</td>
<td>8,628</td>
<td>9,374</td>
</tr>
<tr>
<td>Telephone and communications</td>
<td>14,399</td>
<td>15,250</td>
<td>0</td>
<td>29,649</td>
</tr>
<tr>
<td>Travel</td>
<td>2,075</td>
<td>8,978</td>
<td>345</td>
<td>11,398</td>
</tr>
</tbody>
</table>

**Total expenses by function**

$750,132 
$238,883 
$68,803 
$1,057,818

See independent auditors’ report and notes to financial statements.

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CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets $ 139,496

Adjustments to reconcile change in net assets to net cash provided by operating activities:
  Decrease in prepaid expenses 2,381
  Increase in accounts payable and accrued expenses 5,706
  Increase in accrued paid leave 619
  Decrease in accrued payroll liabilities (19,098)

Net cash provided by operating activities $129,104

CHANGE IN CASH AND CASH EQUIVALENTS

Net increase in cash and cash equivalents $ 129,104

Cash and cash equivalents, as of the beginning of the year 1,020,076

Cash and cash equivalents, as of the end of the year $1,149,180

See independent auditors’ report and notes to financial statements.
NOTE 1. NATURE OF OPERATIONS

Factory Farming Awareness Coalition ("the Coalition") is a not-for-profit corporation which was incorporated in the State of Oregon on February 23, 2018. The purpose of the Coalition is empowering people to help save animals, the environment, and our own health through our daily food choices. From social justice to public health to sustainability, factory farming is one of the most serious issues facing the planet. By educating young people and stakeholder audiences about the realities of factory farming, FFAC works to build both a consumer base for a sustainable, compassionate food system and an informed citizenry that supports cultural and legislative change.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

We consider 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.

Contributions Receivable

We record 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 statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Inventory

Inventory primarily consists of tote bags, clothing and other materials which are sold on the Coalition’s website and is stated at the lower of average cost or market.

Property and Equipment

We record property and equipment additions of 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 4 to 7 years. 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 statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

See accompanying independent auditors’ report.
NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements 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.

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.

Revenue and Revenue Recognition

General support, including pledges, as well as any other unconditional promises to give, are recognized as revenue in the period pledged. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Special event revenues are recognized when earned, whereas expenses are recognized when incurred. Grants represent contributions if the resources provider receives no value in exchange for the assets transferred, or if the value received is incidental to the potential public benefit to be provided by using the assets. Grants represent an exchange transaction if the potential public benefit to be derived is secondary to the potential benefit received by the resource provider.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and 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. We record donated professional services and items at the respective fair values of the services and items received.

See accompanying independent auditors’ report.
NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

Advertising costs are expensed as incurred, and approximated $21,256 during the year ended June 30, 2022.

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. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Coalition. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Coalition generally does not conduct its fundraising activities in conjunction with its other activities.

Income Taxes

The Coalition is organized as an Oregon nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under IRC Sections 509(a)(1) and (3). The Coalition is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Coalition is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. We have determined that the Coalition 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.

The Coalition’s income tax filings are subject to routing audits by taxing jurisdictions; however, there are no audits for any tax periods in progress.

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.

See accompanying independent auditors’ report.
NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectable amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts at June 30, 2022, was $0 as there were no receivables.

NOTE 3. CONCENTRATIONS OF RISKS

The Coalition holds cash on deposit with banks, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. The Coalition at times maintains cash balances in excess of this limit. The Coalition has not experienced and does not anticipate any losses in these accounts.

NOTE 4. 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:

Cash and cash equivalents $1,149,180

The Coalition occasionally receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Coalition manages its liquidity with the principle of maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be met. The majority of the Coalition’s expenses come in the form of payroll and contractor costs which are funded with contributions. The Coalition’s operating expenses average approximately $88,000 per month, and therefore the Coalition has sufficient liquidity reserves to fund over a year of operations.

See accompanying independent auditors’ report.
NOTE 5. FUNCTIONALIZED 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 salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

There were no net assets with donor restrictions as of June 30, 2022.

Net assets released from restrictions during the year ended June 30, 2022, consisted of the following:

<table>
<thead>
<tr>
<th>Satisfaction of purpose restrictions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Covid 19</td>
<td>$25,000</td>
</tr>
<tr>
<td>Internships</td>
<td>60,423</td>
</tr>
<tr>
<td>Director of Strategic Partnership salary</td>
<td>42,500</td>
</tr>
<tr>
<td></td>
<td>$127,923</td>
</tr>
</tbody>
</table>

NOTE 7. RETIREMENT PLAN

The Coalition has adopted a profit sharing plan for employees who are at least 21 years of age. Employees may contribute 1-92% of eligible compensation up to the maximum amount allowed by the IRS. The Coalition does not contribute to the plan.

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 28, 2023, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these financial statements other than a legal change in name from Factory Farming Awareness Coalition to New Roots Institute in July of 2023.

See accompanying independent auditors’ report.

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