SJT GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS

SANTA FE
FARMERS' MARKET
INSTITUTE

Financial Statements
and
Independent Auditor's Report

December 31, 2022 and 2021

Santa Fe Farmers Market Institute

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SJT GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Santa Fe Farmers Market Institute

Opinion

We have audited the accompanying financial statements of the Santa Fe Farmers Market Institute (the "Institute") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 the Institute as of December 31, 2022 and 2021 and the changes in its net assets and its cash flows for the years then ended in conformity 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 the Institute 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 the Institute'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 the Institute'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 the Institute'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 have identified during the audit.

SJT Group LLC

Albuquerque, New Mexico
June 20, 2023

Financial Statements

Santa Fe Farmers Market Institute

Statements of Financial Position

December 31,

		2022		2021 (as restated)
Assets				
Current assets				
Cash and cash equivalents	**$**	**441,356**	$	610,926
Investments		**144,895**		177,916
Accounts receivable		**29,567**		44,746
Prepaid expenses		**17,645**		19,014
Total current assets		**633,463**		852,602
Noncurrent assets				
Investments restricted for farmers microloan program		**75,878**		41,446
Right-to-use assets, net		**792,808**		824,949
Property and equipment, net		**2,944,262**		3,023,507
Total noncurrent assets		**3,812,948**		3,889,902
Total assets	**$**	**4,446,411**	$	4,742,504
Liabilities and Net Assets				
Current liabilities				
Accounts payable	**$**	**15,063**	$	35,474
Payroll and related liabilities		**16,854**		14,730
Deferred revenue		**31,263**		55,518
Token reimbursements payable		**30,260**		28,921
Accrued property taxes		**11,376**		11,447
Accrued interest payable		**705**		728
Operating lease liability, current portion		**7,102**		5,786
Notes payable, current portion		**25,520**		24,529
Total current liabilities		**138,143**		177,133
Noncurrent liabilities				
Security deposits		**15,941**		15,941
Operating lease liability, net of current portion		**836,627**		843,729
Notes payable, net of current portion and debt issuance costs		**409,602**		494,763
Total noncurrent liabilities		**1,262,170**		1,354,433
Total liabililties		**1,400,313**		1,531,566
Net assets				
Without donor restrictions		**2,846,578**		3,036,535
With donor restrictions		**199,520**		174,403
Total net assets		**3,046,098**		3,210,938
Total liabilities and net assets	**$**	**4,446,411**	$	4,742,504

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

Santa Fe Farmers Market Institute
Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Earned income			
Leasing income	$ 450,950	$ -	$ 450,950
Other income	18,118	-	18,118
Total earned income	469,068	-	469,068
Grants and contributions			
Foundation grants	151,153	25,897	177,050
Governmental grants	29,955	-	29,955
Individual contributions	101,665	50,015	151,680
Corporate contributions	21,975	-	21,975
In-kind contributions	18,984	-	18,984
Total grants and contributions	323,732	75,912	399,644
Other support and revenue			
Fundraising income	83,478	-	83,478
Investment income	1,839	-	1,839
Total other support and revenue	85,317	-	85,317
Net assets released from restrictions	50,795	(50,795)	-
Total support and revenue	928,912	25,117	954,029
Expenses			
Program services	629,265	-	629,265
Supporting services			
Management and general	230,330	-	230,330
Fundraising	259,274	-	259,274
Total supporting services	489,604	-	489,604
Total expenses	1,118,869	-	1,118,869
Change in net assets	(189,957)	25,117	(164,840)
Net assets, beginning of year	3,036,535	174,403	3,210,938
Net assets, end of year	$ 2,846,578	$ 199,520	$ 3,046,098

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

Santa Fe Farmers Market Institute

Statement of Activities

For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Earned income			
Leasing income	$ 294,266	$ -	$ 294,266
Other income	12,997	-	12,997
Total earned income	307,263	-	307,263
Grants and contributions			
Foundation grants	70,250	1,000	71,250
Governmental grants	80,774	9,600	90,374
Individual contributions	103,686	50,318	154,004
Corporate contributions	27,905	-	27,905
In-kind contributions	17,590	-	17,590
Total grants and contributions	300,205	60,918	361,123
Other support and revenue			
Fundraising income	52,175	-	52,175
Investment income	1,548	-	1,548
Total other support and revenue	53,723	-	53,723
Net assets released from restrictions	35,352	(35,352)	-
Total support and revenue	696,543	25,566	722,109
Expenses			
Program services	465,270	-	465,270
Supporting services			
Management and general	196,786	-	196,786
Fundraising	228,884	-	228,884
Total supporting services	425,670	-	425,670
Total expenses	890,940	-	890,940
Change in net assets	(194,397)	25,566	(168,831)
Net assets, beginning of year	3,230,932	148,837	3,379,769
Net assets, end of year	$ 3,036,535	$ 174,403	$ 3,210,938

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

Santa Fe Farmers Market Institute

Statement of Functional Expenses

For the Year Ended December 31, 2022

	Program Services	Management and General	Fundraising	Total
Salaries, payroll taxes, and benefits	$ 200,551	$ 76,554	$ 95,032	$ 372,137
Consultants and contracts	89,734	9,945	78,347	178,026
Depreciation and amortization	81,120	38,764	5,188	125,072
Occupancy costs	67,288	31,183	7,810	106,281
Equipment expense and repairs and maintenance	49,435	23,511	3,568	76,514
Accounting and legal	37,208	13,722	17,034	67,964
Interest	28,703	11,567	9,597	49,867
Lease	20,846	9,962	1,333	32,141
Advertising and marketing	8,831	-	16,222	25,053
Supplies and office	15,093	3,321	4,123	22,537
Bank and merchant fees	10,942	4,035	5,009	19,986
Insurance	11,429	5,354	1,116	17,899
Printing and postage	2,688	870	12,981	16,539
Professional development	2,240	826	1,025	4,091
Miscellaneous	1,428	526	653	2,607
Dues and fees	1,097	190	236	1,523
Travel	520	-	-	520
Tokens	112	-	-	112
Total expenses	$ 629,265	$ 230,330	$ 259,274	$ 1,118,869

Santa Fe Farmers Market Institute

Statement of Functional Expenses

For the Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Salaries, payroll taxes, and benefits	$ 107,903	$ 58,034	$ 67,415	$ 233,352
Consultants and contracts	48,378	3,363	69,314	121,055
Depreciation and amortization	80,391	29,859	4,594	114,844
Occupancy costs	72,368	28,038	6,777	107,183
Equipment expense and repairs and maintenance	42,788	16,127	2,900	61,815
Accounting and legal	28,111	24,095	28,110	80,316
Interest	33,637	14,814	6,428	54,879
Lease	22,499	8,357	1,285	32,141
Advertising and marketing	6,600	-	20,269	26,869
Supplies and office	6,077	3,544	4,134	13,755
Bank and merchant fees	4,520	3,874	4,520	12,914
Insurance	5,776	4,952	5,777	16,505
Printing and postage	1,073	733	6,211	8,017
Professional development	825	-	-	825
Dues and fees	1,638	527	613	2,778
Travel	98	52	58	208
Tokens	1,999	-	-	1,999
Scholarships and grants distributed	478	417	479	1,374
Bad debt	111	-	-	111
Total expenses	465,270	196,786	228,884	890,940

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

Santa Fe Farmers Market Institute

Statements of Cash Flows

For the Years Ended December 31,

	2022	2021 (as restated)
Cash flows from operating activities		
Cash received from tenants	**$ 418,151**	$ 372,658
Cash received from grants and contributions	**404,383**	325,904
Cash received from fundraising	**83,478**	52,175
Other cash received	**19,957**	14,545
Cash paid to employees and suppliers	**(908,455)**	(658,037)
Cash paid for interest	**(49,890)**	(55,302)
Net cash provided (used) by operating activities	**(32,376)**	51,943
Cash flows from investing activities		
Purchases of investments	**(1,411)**	(195)
Purchases of property and equipment	**(43,841)**	(21,955)
Net cash used by investing activities	**(45,252)**	(22,150)
Cash flows from financing activities		
Proceeds from issuance of economic injury disaster loan (EIDL)	**-**	4,803
Payments on operating lease	**(5,786)**	(7,574)
Payments on notes payable	**(86,156)**	(20,433)
Net cash used by financing activities	**(91,942)**	(23,204)
Net change in cash and cash equivalents	**(169,570)**	6,589
Cash and cash equivalents, beginning of year	**610,926**	604,337
Cash and cash equivalents, end of year	**$ 441,356**	$ 610,926

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

Santa Fe Farmers Market Institute
Notes to the Financial Statements
December 31, 2022 and 2021

1) Organization

Santa Fe Farmers Market Institute (the "Institute") is a non-profit corporation organized under the laws of the State of New Mexico in 2002. The Institute's mission is to advocate for farmers, ranchers and other land-based producers; provide equitable access to fresh, local food; own and operate a year-round venue for the Santa Fe Farmers' Market; and manage programs to help sustain a profitable, locally-based agricultural community.

Support for the Institute comes primarily from individual, corporate, foundation, and governmental (federal, state, and local) grants and contributions.

2) Summary of Significant Accounting Policies

Basis of Accounting and Presentation
The financial statements of the Institute are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. Financial statement presentation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 958-205, *Not-for-Profit Entities–Presentation of Financial Statements*.

The Institute is required to report information regarding their financial position and activities according to the following two classes of net assets:

- *Net assets without donor restrictions* represent the portion of the Institute's net assets that are not restricted by donor-imposed stipulations and are available for operations and management's discretion.
- *Net assets with donor restrictions* represents resources restricted by donors as to purpose or by the passage of time and resources whose use by the Institute is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Institute.

Use of Estimates
Financial statement preparation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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 financial statement date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
For purposes of reporting cash flows, the Institute considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Institute maintains cash deposits in checking and savings accounts, as well as certificates of deposits, which at times may exceed federally insured limits.

2) Summary of Significant Accounting Policies – continued

At December 31, 2022, bank balances totaled $666,621, all of which was insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA). At December 31, 2021, bank balances totaled $849,895, of which $703,954 was insured by the FDIC or the NCUA.

Investments
The Institute's investments are comprised of long-term certificates of deposit. The carrying value of these investments reasonably approximate fair value. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Restricted investments include amounts deposited into accounts for use in the Farmers Microloan Program, as described in Note 13.

Receivables
Receivables are stated at the amount that management expects to collect. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance. Allowances for uncollectible receivables are based on analysis and aging of receivables.

Property and Equipment
Purchased property and equipment are recorded at cost and donations of property and equipment are recorded as support at their estimated fair value at the date of donation. The Institute capitalizes expenditures for property and equipment in excess of $2,000 when the useful life extends beyond one year. Donations of property and equipment are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Depreciation is calculated using the straight-line method over the estimated useful lives ranging from 3 – 40 years. Leasehold improvements are amortized over their useful lives not to exceed the term of the related lease.

Accrued Vacation Pay
The Institute pays accrued vacation upon separation from service. Employees are not paid for accrued sick leave upon termination of their employment. A maximum carryover of 10 vacation days (80 hours) is allowed on an employee's employment anniversary date unless an exception to the carryover limit is approved by the Board of Directors.

Leases
Management determines if an arrangement is a lease at inception of the arrangement. Operating leases are included in the operating lease right-of-use asset and operating lease liability in the accompanying statements of financial position. Finance leases are included in property and equipment and finance lease liabilities in the accompanying statements of financial position.

2) Summary of Significant Accounting Policies – continued

Right-of-use assets represent the Institute's right to use an underlying asset for the lease term, and lease liabilities represent the Institute's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The right-of-use assets include any lease payments made and exclude lease incentives. The Institute's lease terms may include options to extend or terminate the lease at management's discretion. Such options are included in the calculation of the right-of-use asset and lease liability and are included in the future maturities of lease liabilities in Note 6, if management determines they are reasonably certain to exercise the options. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Upon adoption of FASB ASC Topic 842, *Leases*, the Institute elected certain practical expedients permitted under the transition guidance that allowed the Institute not to reassess: (1) whether expired or previously existing contracts are or contain leases, (2) lease classification for expired or previously existing leases, and (3) initial direct costs for expired or previously existing leases.

For leases that do not state or imply an interest rate, the Institute elected a practical expedient to use a risk-free rate based on asset composition.

The Institute elected to account for all leases with original terms of 12 months or less as short-term leases, which are expensed over the term of the lease and do not require recognition of right-of-use assets or lease liabilities.

Revenue Recognition

Contributions received without donor restrictions are recognized when cash or ownership of donated assets is unconditionally promised to the Institute. The Institute recognizes gifts of cash and other assets as restricted if they are received with donor stipulations of purpose or time. The Institute recognizes revenue from governmental agencies when all eligibility requirements related to the award have been met, generally when a grant award is made to the Institute and funds have been obligated by the governmental agency, and is reported as revenue with donor restrictions.

Donated Assets, Materials and Services

The Institute receives in-kind donations of facilities, services and supplies. Contributions of facilities and supplies are recorded at their estimated fair values at the date of donation. Donated services that (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased by the Institute if not provided by donation, are recorded at their fair values in the period received. A substantial number of unpaid volunteers have made contributions of their time that did not meet the criteria for recognition.

Santa Fe Farmers Market Institute
Notes to the Financial Statements
December 31, 2022 and 2021

2) Summary of Significant Accounting Policies – continued

Income Taxes

The Institute is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private foundation. The Institute has adopted FASB ASC 740-10, *Income Taxes*, relating to accounting for uncertain tax positions. The Institute has not recognized any changes to its financial statements for uncertain tax positions resulting from this adoption. The Institute's income tax filings for the years ended December 31, 2018 and thereafter are subject to audit by various taxing authorities.

Fair Value of Financial Instruments

For financial statement purposes, receivables, accounts payable, accrued liabilities, and notes payable are considered financial instruments. The Institute estimates that the fair value of all financial instruments at December 31, 2022 and 2021, did not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position because of their short-term nature and because interest rates on the note payable approximate current market rates.

Advertising Costs

The Institute charges the costs of advertising to expense as incurred. Advertising costs totaled $8,830 and $18,234 for the years ended December 31, 2022 and 2021, respectively, not including in-kind advertising services received.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Institute. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Depreciation and amortization, occupancy costs, lease expense, equipment expense, repairs and maintenance, interest, and insurance are allocated on the basis of square footage used by the different programs within the Institute. Accounting and legal expenses and bank and merchant fees are allocated on the basis of a staffing allocation.

Subsequent Events

Subsequent events through June 20, 2023 the date which the financial statements were available to be issued, were evaluated for recognition and disclosure in the financial statements.

3) Liquidity and Availability

The following table reflects the Institute's financial assets as of December 31:

	2022	2021
Financial assets, at year-end		
Cash and cash equivalents	**$ 441,356**	$ 610,926
Investments	**144,895**	177,916
Accounts receivable	**29,567**	44,746
Financial assets available to meet cash needs for general expenditures within one year	**$ 615,818**	$ 833,588

The Institute's cash management policy is to maintain enough operating cash to cover at least one month's operating expenses.

Effective January 1, 2021, the Board approved two separate reserve funds: the Enterprise fund and the Building Reserve fund. The Enterprise fund was established to provide monies to the Executive Director for projects that are of strategic importance to the Institute. The Building Reserve fund was established to provide monies for capital investments related to the maintenance and improvement of the building. Both funds are intended to fund projects that are considered non-recurring and not funded through the normal budget approval process. The Enterprise fund is limited to $75,000 and the Building Reserve fund is limited to $200,000. Both funds are rebalanced at the end of each fiscal year end.

4) Accounts Receivable

Accounts receivable consist of the following at December 31:

	2022	2021
Tenants and other	**$ 11,403**	$ 2,859
Double Up Food Bucks program	**11,149**	8,122
Grants	**-**	9,600
Pledges	**7,015**	24,165
Total accounts receivable	**$ 29,567**	$ 44,746

Santa Fe Farmers Market Institute
Notes to the Financial Statements
December 31, 2022 and 2021

5) Property and Equipment

Property and equipment consist of the following as of December 31:

	2022	2021
Depreciable		
Buildings and improvements	**$ 4,424,570**	$ 4,412,722
Leasehold improvements	**117,516**	117,516
Landscaping	**13,095**	13,095
Furniture and equipment	**34,626**	43,295
Website	**31,993**	-
Less: Accumulated depreciation and amortization	**(1,714,049)**	(1,599,632)
Total depreciable property and equipment, net	**2,907,751**	2,986,996
Artwork	**36,511**	36,511
Property and equipment, net	**$ 2,944,262**	$ 3,023,507

6) Operating Lease

The Institute signed a lease with the Santa Fe Railyard Community Corporation (SFRCC) in November 2005 for lease of the premises where the permanent site for the Santa Fe Farmer's Market is located. The initial lease term was for forty years beginning on the commencement date, with four consecutive ten-year renewal options. Following the commencement date, which occurred in 2008 when the Institute and the Market initially occupied the building, the annual base rent started at $29,568 per year with an increase of 2.5% annually at the beginning of each calendar year thereafter. The Institute measures the operating lease liability at December 31, 2022 and 2021 of $843,729 and $849,515, respectively, by calculating the present value of the future lease payments using a discount rate of 4.25%. Future minimum lease payments under the lease are as follows:

	Principal	Interest	Total
2023	$ 7,102	$ 35,721	$ 42,823
2024	8,502	35,392	43,894
2025	9,989	35,002	44,991
2026	11,569	34,547	46,116
2027	13,246	34,023	47,269
2028-2032	95,142	159,530	254,672
2033-2037	154,761	133,377	288,138
2038-2042	233,348	92,654	326,002
2043-2047	310,070	32,952	343,022
	$ 843,729	$ 593,198	$ 1,436,927

6) Operating Lease – continued

The operating right-to-use asset consists of the following as of December 31:

	2022	2021
Land	**$ 857,090**	$ 857,090
Less: Accumulated amortization	**(64,282)**	(32,141)
Right-to-use assets, net	**$ 792,808**	$ 824,949

During the years ended December 31, 2022 and 2021, operating lease expense totaled $32,141 and $32,141, respectively, which is reported as lease expense in the statements of functional expenses.

7) Notes Payable

Notes payable consist of the following as of December 31:

	2022	2021
Mortgage loan	**$ 292,457**	$ 373,723
Economic injury disaster loan (EIDL)	**148,625**	153,515
Less: Unamortized debt issuance costs	**(5,960)**	(7,946)
Total long-term debt, net of debt issuance costs	**435,122**	519,292
Current portion	**(25,520)**	(24,529)
Total long-term debt, net of current portion and debt issuance costs	**$ 409,602**	$ 494,763

Mortgage Loan
In August 2020, the Institute issued a promissory note to a local financial institution for $400,000. The proceeds from the note were used to refinance a mortgage note and payoff the balance owed on the line of credit. The loan is payable in monthly installments of $3,007, including interest at a fixed rate of 4.18%, through August 11, 2025. The note is secured by the Institute's rights and interest in its tenant lease agreements plus assignment of rents on its leased premises located at 1607 Paseo de Peralta in Santa Fe, New Mexico, as well as a right of setoff in all of the Institute's accounts with the financial institution.

The Institute reports debt issuance costs as a direct deduction from the face amount of the mortgage loan issued. Unamortized debt issuance costs totaled $5,960 and $7,946 at December 31, 2022 and 2021, respectively. Amortization of debt issuance costs of $1,986 for the years ended December 31, 2022 and 2021, is reported as a portion of depreciation and amortization in the accompanying statements of activities.

7) Notes Payable – continued

Economic Injury Disaster Loan (EIDL)
The Institute issued an Economic Injury Disaster Loan (EIDL) of $150,000 by a Small Business Administration (SBA) approved partner on June 23, 2020. Monthly installment payments, including principal and interest of $641, began twelve months from the date of the promissory note. Interest accrues on the loan at a rate of 2.75%. The balance of principal and interest will be payable thirty years from the date of the promissory note. The note is secured by all of the Institute's tangible and intangible personal property because the loan amount exceeds $25,000.

Future principal payments on notes payable as of December 31, 2022 are as follows:

	Principal	Interest	Total
2023	$ 25,520	$ 18,356	$ 43,876
2024	26,552	17,420	43,972
2025	251,980	13,430	265,410
2026	4,083	3,605	7,688
2027	4,196	3,491	7,687
2028-2032	22,800	15,637	38,437
2033-2037	26,157	12,281	38,438
2038-2042	30,008	8,430	38,438
2043-2047	34,426	4,011	38,437
2048-2050	15,360	247	15,607
	$ 441,082	$ 96,908	$ 537,990

8) Leasing Income

The Institute leases space in its leased premises, also known as the Market Building, to various tenants. Below is a summary of these lease agreements:

- During September 2008, the Institute signed an agreement with the Market to lease the main Market Hall and other space of the Market Building for forty years, with four consecutive renewal options of ten years each. Base monthly rent amounts are charged, with an increase of 2.5% annually at the beginning of each calendar year thereafter.
- During June 2012, the Institute signed a second lease agreement with the Market to rent a first-floor retail space for 3.33 years with one 3-year renewal option. Base monthly rent amounts are charged, with an increase of 2.5% annually at the beginning of each calendar year thereafter.

8) Leasing Income – continued

- During May 2019, the Institute signed a lease agreement with an organization to rent a portion of its second-floor office space. The lease agreement commenced on May 1, 2019 and was for two years, with a one-year renewal option. The renewal option was not exercised in 2021. Base monthly rent amounts are charged, with an increase of 2.5% annually at the beginning of each calendar year thereafter.
- During June 2021, the Institute signed a lease agreement with an organization to rent a portion of its second-floor office space. The lease agreement commenced on June 1, 2021 and is for three years, with two two-year renewal options. Base monthly rent amounts are charged, with an increase of 2.5% annually at the beginning of each calendar year thereafter.
- During May 2009, the Institute signed a lease agreement with a restaurant to rent a portion of its first-floor space. The lease agreement began October 1, 2009, and is for a period of 10 years, with two options to renew for five years each. The restaurant exercised its first renewal option in September 2020. Base monthly rent amounts are charged, with an increase of 2.5% annually at the beginning of each calendar year thereafter.
- During December 2009, the Institute signed an agreement with a local financial institution to allow the financial institution's Automatic Teller Machine (ATM) to be on the Institute's premises. The lease term is for five years, with three five-year renewal options. Base monthly rent amounts are charged.

Leasing income for the years ended December 31, 2022 and 2021, was $450,950 and $294,266, respectively. These amounts include the common area maintenance (CAM) reimbursements received from tenants. Future minimum lease payments to be received by the Institute are as follows:

Year ending December 31,	
2023	$ 228,396
2024	203,634
2025	28,973
2026	28,974
2027	29,699
2028-2032	160,009
2033-2037	181,036
2038-2042	204,825
2043-2047	231,741
2048	33,254
	$ 1,330,541

9) Fundraising Income

Fundraising income consist of the following for the years ended December 31:

	2022	2021
Auction and ticket sales	**$ 26,936**	$ 19,075
Special appeals	**56,542**	33,100
Total fundraising income	**$ 83,478**	$ 52,175

10) In-Kind Contributions

In-kind contributions consist of the following for the years ended December 31:

	2022	2021
Advertising services	**$ -**	$ 10,635
Professional services	**17,948**	6,955
Other	**1,036**	-
Total in-kind contributions	**$ 18,984**	$ 17,590

11) Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	2022	2021
Restricted for time:		
Pledges receivable	**$ 7,015**	$ 24,165
Grants receivable	**-**	9,600
Restricted for purpose:		
Farmers Microloan Program	**60,030**	34,980
Professional development	**44,638**	53,149
Local food for local kids	**11,326**	11,326
Café seating project	**-**	2,172
Other	**40,000**	2,500
Artwork	**36,511**	36,511
Total net assets with donor restrictions	**$ 199,520**	$ 174,403

12) Net Assets Released From Restrictions

Net assets released from restriction consist of the following for the years ended December 31:

	2022	2021
Time restriction accomplished:		
Pledges collected	**$ 24,165**	$ 16,040
Grants collected	**9,600**	-
Purpose restriction accomplished:		
Professional development	**11,510**	1,954
Fresh Rx and Double Up Food Bucks	**-**	3,308
Café seating project	**2,172**	-
Farmers Microloan Program	**3,348**	14,050
Total net assets released from restrictions	**$ 50,795**	$ 35,352

13) Farmers Microloan Program

The Institute collaborates with local credit unions in offering microloans to vendors of the Market. The local credit unions originate the loans and collect and keep the repayments of principal and interest of the loans. Under the program, a board committee accepts applications and approves loans for qualified farmers and projects. The Institute is required to maintain funds to collateralize 100% of the loans outstanding. At December 31, 2022 and 2021, $220,773 and $219,362 in cash and investments were on hand, respectively. Therefore, the loans outstanding were fully collateralized at December 31, 2022 and 2021.

The loans are not held in the Institute's name and are not reflected in the accompanying financial statements. Individual loans range from $900 to $20,000 on a case-by-case basis and one vendor may have up to $20,000 outstanding at any given time. The interest rate is 6% on all loans. Microloan activity is as follows for the years ended December 31:

	2022	2021
Outstanding microloans, beginning of the year	**$ 41,446**	$ 33,245
Plus: New loans issued	**70,271**	40,000
Less: Collections, recoveries and other	**(35,839)**	(31,799)
Outstanding microloans, end of the year	**$ 75,878**	$ 41,446

13) Farmers Microloan Program – continued

Loan statistics include the following at December 31:

		2022		2021
Total number of outstanding loans		**13**		11
New loans issued during the year		**6**		6
Average amount of new loans issued	**$**	**11,712**	$	6,667
Interest rate of new loans issued		**6%**		6%

14) Related Party Disclosure

The Institute received a contribution totaling $25,000 for the year ended December 31, 2022, from the John C. Griswold Family Foundation. One of the Institute's board members is a trustee of this foundation.