

SPOONFULS

Financial Statements

Years Ended December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

SPOONFULS
FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to the Financial Statements	7

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Spoonfuls:

Opinion

We have audited the accompanying financial statements of Spoonfuls (a not-for-profit organization) (the Organization), which comprise the statement of financial position as of December 31, 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 present fairly, in all material respects, the financial position of Spoonfuls as of December 31, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 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 the Organization'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 Organization'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.

April 28, 2026

Kahn, Litwin, Kenya & Co., Ltd.

SPOONFULS
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024



	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,802,541	\$ 923,753
Investments	37,038	32,262
Contributions receivable, current portion	484,151	682,313
Prepaid expenses and other assets	51,033	52,939
Total current assets	2,374,763	1,691,267
Cash Restricted for Property and Equipment	80,000	132,000
Contributions Receivable, net of current portion	308,949	178,872
Right-of-Use Asset - Operating Lease	207,517	338,378
Property and Equipment, net	775,511	576,817
Total Assets	\$ 3,746,740	\$ 2,917,334
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 24,873	\$ 78,033
Accrued expenses	117,374	143,081
Current portion of operating lease payable	163,427	158,277
Total current liabilities	305,674	379,391
Operating Lease Payable, less current portion	57,423	195,101
Total liabilities	363,097	574,492
Net Assets:		
Without donor restrictions:		
Available for operations	1,221,419	588,350
Invested in property and equipment, net	775,511	576,817
Total net assets without donor restrictions	1,996,930	1,165,167
With donor restrictions	1,386,713	1,177,675
Total net assets	3,383,643	2,342,842
Total Liabilities and Net Assets	\$ 3,746,740	\$ 2,917,334

See accompanying notes to the financial statements and independent auditors' report.

SPOONFULS
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions and grants	\$ 3,928,587	\$ 1,195,697	\$ 5,124,284	\$ 2,547,769	\$ 1,162,430	\$ 3,710,199
Contributed nonfinancial assets	12,088,374	-	12,088,374	10,977,350	-	10,977,350
Special events, net of direct expenses of \$172,140 and \$291,349, respectively	510,668	-	510,668	168,502	-	168,502
Gain on sale of property and equipment	26,000	-	26,000	10,021	-	10,021
Interest income	7,534	-	7,534	22,214	-	22,214
Investment return, net	2,219	-	2,219	5,497	-	5,497
Other income	35,246	-	35,246	14,877	-	14,877
Net assets released from restrictions - operations	838,841	(838,841)	-	551,361	(551,361)	-
Net assets released from restrictions - capital expenditures	147,818	(147,818)	-	111,005	(111,005)	-
Total support and revenue	17,585,287	209,038	17,794,325	14,408,596	500,064	14,908,660
Expenses:						
Program services	14,664,665	-	14,664,665	13,185,811	-	13,185,811
Management and general	600,479	-	600,479	800,114	-	800,114
Fundraising and development	1,488,380	-	1,488,380	1,284,433	-	1,284,433
Total expenses	16,753,524	-	16,753,524	15,270,358	-	15,270,358
Change in Net Assets	831,763	209,038	1,040,801	(861,762)	500,064	(361,698)
Net Assets, beginning of year	1,165,167	1,177,675	2,342,842	2,026,929	677,611	2,704,540
Net Assets, end of year	\$ 1,996,930	\$ 1,386,713	\$ 3,383,643	\$ 1,165,167	\$ 1,177,675	\$ 2,342,842

See accompanying notes to the financial statements and independent auditors' report.

SPOONFULS
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2025 and 2024



	2025				2024			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries and related expenses:								
Salaries and wages	\$ 1,654,409	\$ 165,175	\$ 842,033	\$ 2,661,617	\$ 1,332,387	\$ 279,999	\$ 778,018	\$ 2,390,404
Employee benefits	177,372	71,516	134,587	383,475	165,083	61,822	114,601	341,506
Payroll taxes	154,773	16,565	72,775	244,113	125,276	19,952	66,804	212,032
Total salaries and related expenses	1,986,554	253,256	1,049,395	3,289,205	1,622,746	361,773	959,423	2,943,942
Advertising and promotion	9,709	1,158	20,508	31,375	2,289	2,190	5,452	9,931
Conferences, staff training, and meals	20,003	21,252	40,828	82,083	17,245	25,282	7,924	50,451
Depreciation	176,446	7,265	47,905	231,616	164,377	8,791	44,099	217,267
Contributed nonfinancial assets - donated food distributed	11,947,854	-	111,209	12,059,063	10,865,592	-	69,418	10,935,010
Contributed nonfinancial assets - legal	-	18,125	11,186	29,311	-	33,276	9,064	42,340
Dues, fees, and licenses	20,798	20,071	25,634	66,503	23,482	22,785	24,796	71,063
Insurance	81,685	2,486	6,102	90,273	64,833	1,905	5,659	72,397
Interest	-	-	-	-	253	-	-	253
Miscellaneous	-	-	357	357	955	1,000	4	1,959
Occupancy expenses	96,000	16,969	41,807	154,776	79,333	31,870	45,970	157,173
Office expenses	39,141	14,501	16,034	69,676	44,367	29,052	22,355	95,774
Professional fees	50,611	243,745	94,955	389,311	80,423	267,954	71,331	419,708
Other professional fees	98,323	1,651	18,128	118,102	77,955	12,462	18,806	109,223
Supplies and materials	17,721	-	4,332	22,053	19,942	1,774	132	21,848
Vehicle expenses	119,820	-	-	119,820	122,019	-	-	122,019
Total expenses	\$ 14,664,665	\$ 600,479	\$ 1,488,380	\$ 16,753,524	\$ 13,185,811	\$ 800,114	\$ 1,284,433	\$ 15,270,358

See accompanying notes to the financial statements and independent auditors' report.

SPOONFULS
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024



	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,040,801	\$ (361,698)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	231,616	217,267
Amortization of right-of-use asset - operating lease	130,861	135,861
Discount on contributions receivable	(4,948)	(7,070)
Contributions restricted to capital expenditures	(80,000)	(132,000)
Gain on sale of property and equipment	(26,000)	(10,021)
Donated stock	(2,557)	-
Net gain on investments	(1,691)	(5,018)
Changes in operating assets and liabilities:		
Contributions receivable	73,033	(53,878)
Prepaid expenses and other assets	1,906	866
Operating lease liability	(132,528)	(132,528)
Accounts payable	(53,160)	43,569
Accrued expenses	(25,707)	43,748
Net cash provided (used) by operating activities	1,151,626	(260,902)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(430,310)	(190,437)
Proceeds from sale of property and equipment	26,000	13,500
Purchase of investments	(528)	(479)
Net cash used by investing activities	(404,838)	(177,416)
Cash Flows from Financing Activities:		
Contributions restricted to capital expenditures	80,000	132,000
Principal payments on finance leases	-	(19,382)
Net cash provided by financing activities	80,000	112,618
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	826,788	(325,700)
Cash, Cash Equivalents and Restricted Cash, beginning of year	1,055,753	1,381,453
Cash, Cash Equivalents and Restricted Cash, end of year	\$ 1,882,541	\$ 1,055,753
Reconciliation to Statement of Financial Position:		
Cash and cash equivalents	\$ 1,802,541	\$ 923,753
Cash restricted for property and equipment	80,000	132,000
Cash, Cash Equivalents and Restricted Cash, end of year	\$ 1,882,541	\$ 1,055,753
Supplemental Cash Flow Information:		
Cash paid for interest	\$ -	\$ 253

See accompanying notes to the financial statements and independent auditors' report.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

1. Nature of Operations

Spoonfuls (the Organization), formerly Lovin' Spoonfuls, was formed on January 29, 2010, to facilitate the recovery and distribution of perishable and unserved foods that would otherwise be thrown away and wasted. The Organization delivers this food directly to local crisis centers, soup kitchens and other social assistance entities.

The Organization is exempt from federal income taxes as a not-for-profit organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Contributions made to the Organization are deductible by donors within the IRC requirements.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Organization is presented to assist the reader in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The Organization prepares its financial statements on the accrual basis of accounting and, in accordance with authoritative guidance, reports 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.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. The Organization has grouped its net assets without donor restrictions into the following categories:

- Available for operations – Represents funds available to carry on the operations of the Organization.
- Invested in property and equipment, net – Represents amounts expended and resources available for property and equipment, net of related debt.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Contributions Receivable

Contributions receivable are recognized in the period the unconditional promise to give is made and do not bear interest. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions are substantially met. If material, receivables with amounts due beyond one year are discounted to their net present value using the interest rate for treasury bills with a remaining term equal to that of expected future receipts.

The Organization carries its contributions receivable at the amount management expects to collect from outstanding balances. On a periodic basis, the Organization evaluates its receivables and provides for doubtful accounts based on the history of collections and current credit conditions. A receivable is considered past due if payment has not been received within stated terms. At December 31, 2025 and 2024, management has determined that no allowance for doubtful accounts is necessary.

Investments and Fair Value Measurements

The Organization reports its investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach, as specified by authoritative guidance, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

Level 3 inputs are unobservable for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's data.

The Organization reports its investments at fair value on a recurring basis. These investments are classified as level 1 within the fair value hierarchy.

Level 1 investments owned by the Organization and listed on a National Securities Exchange are valued at the last recorded sales price as of the financial statement reporting date or, in the absence of recorded sales, at the last quoted bid price reported as of the financial statement reporting date.

Realized and unrealized gains and losses are included as a component of investment return in the statements of activities. Gains and losses on investments are reported as changes in net assets without donor restrictions unless gains and losses on investments are restricted by a donor's explicit stipulation or by a law that extends a donor's restriction.

Interest and dividends on investments are included in investment return. Interest earned on balances classified as cash and cash equivalents is reported separately from investment return. Dividends are recorded on the ex-dividend date and interest is recorded on the accrual basis of accounting. Purchases and sales of securities are recorded on the trade date. In determining the gains (losses) realized on the sales of securities, the cost of securities sold is determined on a specific identification basis.

Property and Equipment

Purchased property and equipment, and equipment held under finance lease agreements are recorded at cost. Renewals and betterments are capitalized as additions to the related asset accounts, while repairs and maintenance costs are expensed as incurred. The Organization's policy is to capitalize property and equipment costing \$5,000 or more. Costs incurred for developing new websites or adding new components to the websites are capitalized and amortized. Costs incurred for renovations, upgrades and uploading of content to the website are considered routine maintenance and are expensed as incurred.

Depreciation is computed on a straight-line basis over the following estimated useful lives of the related assets:

Vehicles	5 years
Website and software	3 years
Office equipment	3 years

Right-of-use assets under finance lease agreements are amortized over the shorter of the asset's useful life or the lease term.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

Leases

The Organization leases office space under an operating lease agreement. The Organization determines if an arrangement is a lease at inception. Operating leases are recorded on the statement of financial position as operating lease right-of-use (ROU) assets, ROU assets related to finance leases are included in property and equipment, and lease liabilities are classified as either operating lease or finance lease liabilities.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. If a lease does not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Support and Revenue Recognition

Contributions and Grants - Contributions and grants without donor restrictions are recorded as revenue when received or unconditionally pledged. Revenue from donor-restricted grants and pledges are recorded as revenue and net assets with donor restrictions when the Organization receives an unconditional commitment. Net assets with donor restrictions are reclassified to net assets without donor restrictions as the restrictions are met and are reported in the statements of activities as net assets released from restrictions. Donor contributions and grants whose restrictions are met in the year they are received or pledged are recorded as net assets without donor restrictions. All other revenue is recognized when earned.

Contributed Nonfinancial Assets - The Organization records the value of donated goods at fair value at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills and are performed by people with those skills and would otherwise be purchased by the Organization. Donated goods and services do not have donor-imposed restrictions, are utilized in the Organization's programs and are not monetized. The Organization received in-kind food donations from various retailers, restaurants, and farms. The Organization also received in-kind legal and other services.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

Food donations are reflected in the accompanying financial statements based upon the estimated value assigned by the donating agencies or by management. The fair value of donated services is measured based on the cost of those services if purchased.

Special Events - Special events contributions and support are recognized in the period in which the event takes place, services have been rendered, and/or contractual obligations have been met. Special events contributions and support are shown net of direct expenses in the accompanying financial statements. Direct expenses consist of food and drink, printing, postage, rentals, service fees, supplies, travel, and other miscellaneous expenses related to special events.

Income Taxes

The Organization is exempt from income taxes as a public charity under Section 501(c)(3) of the IRC. Management believes that the Organization operates in a manner consistent with its tax-exempt status at both the state and federal levels.

The Organization annually files IRS Form 990, *Return of Organization Exempt From Income Tax*, reporting various information that the IRS uses to monitor the activities of tax-exempt entities. These tax returns are subject to review by the taxing authorities, generally for a period of three years after they were filed. The Organization currently has no tax examinations in progress.

Advertising Costs

Advertising costs are expensed as incurred.

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. The expenses that are allocated include salaries and related expenses, which are allocated on the basis of estimates of time and level of effort spent on each program and supporting functions. Various overhead costs such as rent, office expense, travel, food and beverage, supplies and materials, and printing and postage are allocated to the functional area based on estimated usage. Expenses related directly to a program are allocated to that program, while other expenses are allocated to programs based upon management's estimate of the percentage attributable to each function.

Estimates and Assumptions

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 the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent Events

Management has evaluated subsequent events through April 28, 2026, which is the date the financial statements were available to be issued.

3. Related Party Transactions

The President of the Organization is a voting member of the Board of Directors. This individual was compensated only for her role as the President and compensation was approved by the Board.

A member of the Board served as the Chief Financial Officer of the Organization. In addition, the Chief Financial Officer is the Chief Financial Officer at another not-for-profit organization that received in-kind food donations from the Organization with a value of \$40,898 and \$28,305 for the years ended December 31, 2025 and 2024, respectively.

During the year ended December 31, 2024, the Organization received donated legal services valued at \$9,259 from a law firm associated with a member of the Board.

4. Program Service Accomplishments – Delivering Food with Purpose (Unaudited)

In the U.S, one-third of all food goes unsold or uneaten. Across Massachusetts alone, a record 40% of households, approximately 1.1 million, experienced food insecurity in 2025.

The Organization keeps good food from going to waste. Through food recovery and distribution, education, and advocacy, the Organization works to address the health, environmental, and economic impact that wasted food has on people and the planet.

Since founding, the Organization has recovered over 40 million pounds of food and distributed it across Massachusetts.

The Organization sources unsold, fresh food (like fruits and veggies, dairy, lean protein, and baked goods) from food retailers like grocery stores, wholesalers, and farms. The team of food-safety certified drivers delivers, same day, to food programs (like pantries, meal programs, and more) that reach neighbors facing food insecurity.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

In 2025, the Organization worked with nearly 400 partners to recover and distribute over 6.2 million pounds of food (valued at nearly \$12,000,000) across the Commonwealth and launched a new route in Southeastern Massachusetts, focused on Bristol County, Brockton, and Bridgewater.

The food distributed in 2025 reached more than 500,000 people across 75 towns and cities, and the corresponding food recovery efforts prevented the same greenhouse gas emissions as 728 gas-powered vehicles driven for one year.

Since the launch of the Organization’s strategic plan in 2022 and with additional capacity on the team, the Organization is sourcing more food – on average, recovering 2 million more pounds of food, year over year.

5. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the statement of financial position date, comprise the following at December 31, 2025 and 2024:

	2025	2024
Current financial assets:		
Cash and cash equivalents	\$ 1,802,541	\$ 923,753
Investments	37,038	32,262
Contributions receivable, current portion	484,151	682,313
Current financial assets, end of year	2,323,730	1,638,328
Less financial assets unavailable for general expenditure:		
Subject to expenditure for specified purpose	857,789	806,803
Subject to expenditure based on time restrictions	139,975	60,000
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,325,966	\$ 771,525

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. To help manage unanticipated liquidity needs, the Organization is able to draw upon its available line of credit up to \$1,000,000 as of December 31, 2025 (Note 10).

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

6. Investments

Investments are presented in the financial statements at their aggregate fair value and consist of the following level 1 investments:

	2025	2024
Mutual funds	\$ 3,944	\$ 3,346
Exchange traded funds	11,550	10,904
Common stock - financial services	21,544	18,012
Total investments	\$ 37,038	\$ 32,262

7. Contributions Receivable

Contributions receivable consisted of the following at December 31:

	2025	2024
Gross contributions receivable	\$ 809,151	\$ 872,313
Unamortized discount	(16,051)	(11,128)
Contributions receivable, net	\$ 793,100	\$ 861,185

Contributions receivable at December 31, 2025 are expected to be received as follows:

Within one year	\$ 484,151
One to two years	216,137
Two to three years	92,812
Total	\$ 793,100

At December 31, 2024, contributions receivable included \$179,177 of Employee Retention Tax Credit (ERTC) receivable. The Organization received the full amount of the ERTC receivable in January 2025.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

8. Right-of-Use Asset and Lease Payable

The Organization leases office space under a non-cancellable operating lease which expires in August 2027, with an option to extend the lease for an additional five years. The Organization also previously leased vehicles under finance leases that expired at various dates through April 2024.

The related cost of the right-of-use asset and accumulated amortization at December 31, 2025 and 2024 were as follows:

	2025	2024
Right-of-use asset - operating lease	\$ 662,610	\$ 662,610
Accumulated amortization	(455,093)	(324,232)
Total right-of-use asset - operating lease	\$ 207,517	\$ 338,378

During the year ended December 31, 2024, one fully depreciated finance lease ended with an original cost of \$55,557. The Organization retained the expired finance lease vehicle for use in its ongoing operations. No gain or loss was recognized on this transaction.

The components of lease cost for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Operating lease cost	\$ 152,000	\$ 152,000
Finance lease cost:		
Amortization of right-of-use assets	\$ -	\$ 6,803
Interest on lease liabilities	-	253
Total finance lease cost	\$ -	\$ 7,056

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

Other information related to leases for the years ended December 31, 2025 and 2024 was as follows:

	2025	2024
Supplemental Cash Flows Information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 153,667	\$ 148,667
Operating cash flows from finance leases	\$ -	\$ 253
Financing cash flows from finance leases	\$ -	\$ 19,382
Weighted average remaining lease term:		
Operating lease	1.67 years	2.67 years
Finance lease	n/a	n/a
Weighted average discount rate:		
Operating lease	3.39%	3.39%
Finance lease	n/a	n/a

Future minimum lease payments under the non-cancellable operating lease as of December 31, 2025 were as follows:

Year Ending December 31,		
2026		\$ 163,427
2027		111,239
		274,666
Imputed interest		(53,816)
		220,850
Less current portion of lease payable		163,427
Lease payable, long-term		\$ 57,423

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

9. Property and Equipment

Property and equipment consisted of the following at December 31:

	2025	2024
Vehicles	\$ 1,204,042	\$ 894,951
Website	158,238	158,238
Office equipment	43,738	43,738
Software	17,298	17,298
Leasehold improvements	5,000	5,000
	1,428,316	1,119,225
Less accumulated depreciation	652,805	542,408
Property and equipment, net	\$ 775,511	\$ 576,817

During the year ended December 31, 2025, the Organization sold two vehicles with an original cost of \$69,888 and \$51,331, respectively. At the time of sale, both vehicles were fully depreciated. The vehicles were sold for proceeds of \$16,500 and \$9,500, respectively, resulting in a total gain of \$26,000.

During 2024, the Organization sold a vehicle with an original cost of \$69,574 and a net book value of \$3,479 for \$13,500, resulting in a gain of \$10,021.

10. Line of Credit

Effective December 31, 2024, the Organization entered into a demand revolving line of credit note agreement with Cambridge Savings Bank which provides for maximum borrowings of \$1,000,000. The line of credit bears interest at the prime rate (6.75% and 7.50% at December 31, 2025 and 2024) and is secured by substantially all assets of the Organization. There were no outstanding borrowings under the line of credit as of December 31, 2025 and 2024.

The line of credit contains non-financial and financial reporting covenants. Management believes the Organization was in compliance with all covenants as of December 31, 2025 and 2024.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

11. Net Assets With Donor Restrictions

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

	2025	2024
Net assets with donor restrictions:		
Southeast expansion	\$ 353,395	\$ 209,303
MetroWest	230,000	375,000
Strategic planning	199,394	250,000
Capital purchases	80,000	132,000
Boston	25,000	15,000
Worcester expansion	50,000	7,500
Subject to the passage of time	448,924	188,872
Total net assets with donor restrictions	\$ 1,386,713	\$ 1,177,675

12. Contributed Nonfinancial Assets

The fair value of contributed nonfinancial assets was recorded in the accompanying statements of activities as follows:

	2025	2024
Donated food	\$ 12,059,063	\$ 10,935,010
Legal and other services	29,311	42,340
Total	\$ 12,088,374	\$ 10,977,350

13. Concentrations of Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, contributions receivable and investments.

The Organization maintains its cash balances in three financial institutions. The balance at each institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time, the Organization's cash balances may exceed this limit. Cash balances in excess of \$250,000 are generally uninsured. The Organization monitors its exposure with regard to cash and cash equivalents and has not experienced losses on such accounts.

SPOONFULS
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

At December 31, 2025, 57% of the contributions receivable balance was due from two sources. At December 31, 2024, 76% of the contributions receivable balance was due from four sources. Management believes the credit risk associated with the Organization's receivables is minimal and that no allowance is necessary as of year-end.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and that such changes could materially affect investment balances and activity included in the financial statements.