

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**



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**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES**  
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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
The Good Food Institute, Inc.  
Arlington, Virginia

### Report on the Audit of the Consolidated Financial Statements

#### ***Opinion***

We have audited the accompanying consolidated financial statements of The Good Food Institute, Inc. and Affiliates (collectively, GFI), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GFI as of December 31, 2023 and 2022, and the changes in their net assets and their 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 (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 GFI 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about GFI's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 consolidated 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 GFI'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about GFI'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.



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
September 17, 2024

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 4,808,224	\$ 5,287,263
Operating Investments	44,939,039	38,870,526
Grants and Contributions Receivable	14,553,282	5,885,795
Prepaid Expenses and Other Assets	719,990	439,910
Property and Equipment, Net	38,867	23,164
Right of Use Assets, Net	<u>186,313</u>	<u>-</u>
Total Assets	<u><u>\$ 65,245,715</u></u>	<u><u>\$ 50,506,658</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 5,021,206	\$ 4,436,930
Accrued Expenses and Other Liabilities	1,156,190	1,199,488
Lease Liability	<u>186,314</u>	<u>-</u>
Total Liabilities	6,363,710	5,636,418
<b>NET ASSETS</b>		
Without Donor Restrictions	42,773,587	37,739,966
With Donor Restrictions	<u>16,108,418</u>	<u>7,130,274</u>
Total Net Assets	<u><u>58,882,005</u></u>	<u><u>44,870,240</u></u>
Total Liabilities and Net Assets	<u><u>\$ 65,245,715</u></u>	<u><u>\$ 50,506,658</u></u>

See accompanying Notes to Consolidated Financial Statements.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>			
Grants and Contributions	\$ 22,077,500	\$ 19,459,860	\$ 41,537,360
Contributed Services	955,976	-	955,976
Conferences and Meetings	751,930	-	751,930
Other Income	89,661	-	89,661
Net Investment Return	4,225,623	-	4,225,623
Federal and State Contracts and Grants	7,319	-	7,319
Net Assets Released from Restrictions	10,481,716	(10,481,716)	-
Total Revenue, Support, and Gains	38,589,725	8,978,144	47,567,869
<b>EXPENSES AND LOSSES</b>			
Program Services Expense:			
Corporate Engagement	3,986,570	-	3,986,570
International	2,893,830	-	2,893,830
Policy	4,385,169	-	4,385,169
Science and Technology	8,964,302	-	8,964,302
Communication	4,527,237	-	4,527,237
Total Program Expenses	24,757,108	-	24,757,108
Supporting Services Expense:			
Management and General	4,522,314	-	4,522,314
Fundraising and Development	2,526,682	-	2,526,682
Total Supporting Services Expenses	7,048,996	-	7,048,996
Total Expenses	31,806,104	-	31,806,104
Loss from Return of Contributions	1,750,000	-	1,750,000
Total Expenses and Losses	33,556,104	-	33,556,104
<b>CHANGE IN NET ASSETS</b>	5,033,621	8,978,144	14,011,765
Net Assets - Beginning of Year	37,739,966	7,130,274	44,870,240
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 42,773,587</u>	<u>\$ 16,108,418</u>	<u>\$ 58,882,005</u>

See accompanying Notes to Consolidated Financial Statements.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>			
Grants and Contributions	\$ 8,760,333	\$ 6,647,792	\$ 15,408,125
Contributed Services	285,685	-	285,685
Conferences and Meetings	19,741	-	19,741
Other Income	59,515	-	59,515
Net Investment Return	(2,439,639)	-	(2,439,639)
Federal and State Contracts and Grants	12,753	-	12,753
Contributions			-
Donated Professional Services			-
In-Kind Contributions			-
Net Assets Released from Restrictions	18,228,749	(18,228,749)	-
Total Revenue, Support, and Gains	<u>24,927,137</u>	<u>(11,580,957)</u>	<u>13,346,180</u>
<b>EXPENSES AND LOSSES</b>			
Program Services Expense:			
Corporate Engagement	2,451,972	-	2,451,972
International	1,341,176	-	1,341,176
Policy	3,975,149	-	3,975,149
Science and Technology	7,761,113	-	7,761,113
Communication	2,266,661	-	2,266,661
Total Program Expenses	<u>17,796,071</u>	<u>-</u>	<u>17,796,071</u>
Supporting Services Expense:			
Management and General	3,311,561	-	3,311,561
Fundraising and Development	1,867,806	-	1,867,806
Total Supporting Services Expenses	<u>5,179,367</u>	<u>-</u>	<u>5,179,367</u>
Total Expenses and Losses	<u>22,975,438</u>	<u>-</u>	<u>22,975,438</u>
<b>CHANGE IN NET ASSETS</b>	1,951,699	(11,580,957)	(9,629,258)
Net Assets - Beginning of Year	<u>35,788,267</u>	<u>18,711,231</u>	<u>54,499,498</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 37,739,966</u></u>	<u><u>\$ 7,130,274</u></u>	<u><u>\$ 44,870,240</u></u>

See accompanying Notes to Consolidated Financial Statements.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	Program Services						Supporting Services		Total
	Corporate Engagement	International	Policy	Science and Technology	Communications	Total	Management and General	Fundraising and Development	
Personnel	\$ 1,290,731	\$ 5,560,570	\$ 1,298,085	\$ 2,371,585	\$ 1,542,595	\$ 12,063,566	\$ 2,227,119	\$ 1,730,541	\$ 16,021,226
Professional Services	1,067,328	4,678,498	872,161	150,307	152,298	6,920,592	341,901	244,580	7,507,073
Travel	35,046	203,389	14,445	39,983	4,234	297,097	69,986	23,090	390,173
Staff Retreats	4,045	129,194	6,191	11,403	8,308	159,141	166,914	8,660	334,715
Office Operations	15,670	230,463	111,008	16,244	20,643	394,028	50,130	44,198	488,356
Events	14,211	39,617	7,293	69,754	1,377,656	1,508,531	17,543	7,242	1,533,316
Grants and Assistance	-	1,554,258	-	3,771,362	-	5,325,620	2,500	-	5,328,120
Miscellaneous	2,761	(42,605)	14,175	141,418	8,128	123,877	9,934	69,314	203,125
Total before Affiliate Allocations to Functional Areas	2,429,792	12,353,384	2,323,358	6,572,056	3,113,862	26,792,452	2,886,027	2,127,625	31,806,104
Affiliate Allocations to Functional Areas	1,556,778	(9,459,554)	2,061,811	2,392,246	1,413,375	(2,035,344)	1,636,287	399,057	-
Total	<u>\$ 3,986,570</u>	<u>\$ 2,893,830</u>	<u>\$ 4,385,169</u>	<u>\$ 8,964,302</u>	<u>\$ 4,527,237</u>	<u>\$ 24,757,108</u>	<u>\$ 4,522,314</u>	<u>\$ 2,526,682</u>	<u>\$ 31,806,104</u>

See accompanying Notes to Consolidated Financial Statements.



**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**

	Program Services						Supporting Services		Total
	Corporate Engagement	International	Policy	Science and Technology	Communications	Total	Management and General	Fundraising and Development	
Personnel	\$ 908,950	\$ 3,822,436	\$ 884,740	\$ 1,318,506	\$ 1,070,148	\$ 8,004,780	\$ 1,676,604	\$ 1,206,471	\$ 10,887,855
Professional Services	544,407	2,548,047	1,051,259	530,694	155,225	4,829,632	194,681	238,508	5,262,821
Travel	29,685	215,379	21,456	26,853	18,944	312,317	29,453	16,479	358,249
Staff Retreats	21,638	85,437	6,066	26,551	19,205	158,897	68,047	22,204	249,148
Office Operations	15,982	170,430	107,362	21,404	30,230	345,408	46,332	33,671	425,411
Events	4,445	95,901	95,683	7,317	3,738	207,084	46	438	207,568
Grants and Assistance	-	573,286	520,000	4,317,974	-	5,411,260	-	-	5,411,260
Miscellaneous	640	81,198	808	2,255	3,080	87,981	6,073	79,072	173,126
Total before Affiliate Allocations to Functional Areas	1,525,747	7,592,114	2,687,374	6,251,554	1,300,570	19,357,359	2,021,236	1,596,843	22,975,438
Affiliate Allocations to Functional Areas	926,225	(6,250,938)	1,287,775	1,509,559	966,091	(1,561,288)	1,290,325	270,963	-
Total	<u>\$ 2,451,972</u>	<u>\$ 1,341,176</u>	<u>\$ 3,975,149</u>	<u>\$ 7,761,113</u>	<u>\$ 2,266,661</u>	<u>\$ 17,796,071</u>	<u>\$ 3,311,561</u>	<u>\$ 1,867,806</u>	<u>\$ 22,975,438</u>

See accompanying Notes to Consolidated Financial Statements.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 14,011,765	\$ (9,629,258)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	12,617	5,412
Donated Securities Received	(5,412,617)	(439,517)
Proceeds from Sales of Donated Securities	5,607,756	340,000
Realized and Unrealized (Gain) Loss on Operating Investments	(3,436,834)	2,700,400
Changes in Operating Assets and Liabilities:		
Grants and Contributions Receivable	(8,667,487)	9,302,635
Prepaid Expenses and Other Assets	(280,080)	(147,983)
Right-of-Use Asset	(186,313)	-
Accounts Payable	584,276	(97,824)
Accrued Expenses and Other Liabilities	(43,298)	536,131
Lease Liability	186,314	-
Net Cash Provided by Operating Activities	<u>2,376,099</u>	<u>2,569,996</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Operating Investments	(40,091,042)	(22,060,247)
Proceeds from Sales of Operating Investments	37,264,224	2,739,000
Purchase of Property and Equipment	(28,320)	(19,998)
Net Cash Used by Investing Activities	<u>(2,855,138)</u>	<u>(19,341,245)</u>
<b>NET CHANGE IN CASH</b>	(479,039)	(16,771,249)
Cash – Beginning of Year	<u>5,287,263</u>	<u>22,058,512</u>
<b>CASH – END OF YEAR</b>	<u><u>\$ 4,808,224</u></u>	<u><u>\$ 5,287,263</u></u>

See accompanying Notes to Consolidated Financial Statements.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Good Food Institute, Inc. is a 501(c)(3) nonprofit organization incorporated in Delaware. The Good Food Institute, Inc. has entered into affiliate agreements with The Good Food Institute Europe ASBL (Belgium), Associacao The Good Food Institute Do Brasil (Brazil), The Good Food Institute Asia Pacific Limited (Hong Kong), The Good Food Institute Israel (R.A) (Israel), Alternative Protein Solutions Private Limited (India), and The Good Protein Network, Ltd. (Singapore), collectively the “Foreign Affiliates.” The Foreign Affiliates were all incorporated in their respective countries and share the same mission as The Good Food Institute, Inc. The Good Food Institute, Inc. and its Foreign Affiliates (collectively GFI) are funded through grants and contributions. The mission of GFI is to harness the power of food innovation and markets to make the global food system better for the planet, people, and animals by supporting efforts to make alternative proteins accessible, affordable, and delicious.

Conventional meat production contributes to some of the world’s most pressing challenges. As global demand for meat continues to rise, achieving our climate, biodiversity, public health, and food security goals requires addressing and reimagining how meat is made.

Alternative proteins - meat made from plants, cultivated from animal cells, or fermentation-derived - are agricultural innovations that use far less land and water, reduce emissions, mitigate risks associated with antibiotic resistance and pandemic-causing zoonotic diseases, and could open up more sustainable livelihoods around the world. Increased investments in and the acceleration of alternative protein innovation, infrastructure, and industry growth are critical to transitioning toward these new foods at a scale and pace needed to deliver planetary and public benefits - lower global emissions, cleaner air and water, reduced public health risks, and a more resilient, diverse food supply chain.

As a nonprofit, science-driven think tank working to build a more sustainable, secure, and just food system by advancing alternative proteins, The Good Food Institute (GFI) educates and catalyzes the field via timely open-access research and ecosystem-wide solutions. Such solutions remove bottlenecks, tackle the biggest challenges, build capacity within and across the industry, and accelerate the path to mainstream adoption – all essential for meeting global climate, biodiversity, food security, and public health goals.

**Program Services**

**Science and Technology**

GFI's Science and Technology Department accelerates the science of Alternative Protein technologies. GFI's scientists are the global experts in this sector and work to ensure that a roadmap exists for Alternative Protein innovation, that the best scientists are engaged in research and development, and that significant funds are directed toward the highest impact areas of alternative protein research.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Program Services (Continued)**

GFI's SciTech team is focused on three principal activities:

1. Analyzing current and future technical challenges and identifying the most important research for alternative proteins.
2. Mobilizing funding for open-access research and early-stage commercialization of Alternative Proteins.
3. Inspiring and supporting the next generation of innovators in the Alternative Protein industry.

**Policy and Government Relations**

GFI's Policy and Government Relations department is focused on removing public policy hurdles and directing public investment to accelerate progress on the widespread adoption of alternative proteins. The Policy team primarily educates public institutions, including elected officials and regulators, and uses impact litigation as a strategic tool where warranted.

**Corporate Engagement**

GFI's Corporate Engagement department works with companies and investors across the alternative protein industry to drive investment to the sector, accelerate alternative protein innovation, and scale the supply chain. The Corporate Engagement team's work helps enable food industry partners to develop and bring to market alternative protein products that are as accessible, affordable, and delicious as conventional meat, eggs, and dairy. The Corporate Engagement team educates and empowers companies in all stages of the supply chain, including entrepreneurs and startups, investors, food and meat manufacturers, ingredient companies, grocery retailers, foodservice companies, and equipment manufacturers.

**International**

GFI's international program consists of the work of its foreign affiliates and US management team. The foreign affiliates share the same mission and programmatic areas as GFI in the US.

**Communications**

The Communications Department positions GFI as a global thought leader and trusted source of data and insights across the field of alternative proteins and throughout the adjacent fields of climate, biodiversity, global health, and sustainable secure food systems. We elevate the expertise of our staff and work across the organization and field to publish and disseminate original research and reports, secure meaningful media coverage, convene and promote community- and capacity-building events, and thoughtfully engage decision-makers and other influencers across the private and public sectors and civil society to position alt proteins as an essential solution for a better food future.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Supporting Services**

**Management and General**

Includes the functions necessary to ensure a supportive and enjoyable working environment, such as financial and budgetary support, information technology, people operations, and general operational coordination services. It also includes coordination and articulation of GFI's program strategy as well as overseeing proper administrative functioning of the board of directors.

**Fundraising and Development**

GFI's development team builds relationships to inspire gifts and grants that empower GFI to grow sustainably and remain nimble while fostering meaningful engagement throughout the GFI family of individual donors, foundations, and corporations.

**Principles of Consolidation**

The consolidated financial statements include the accounts of The Good Food Institute, Inc. and the Foreign Affiliates (collectively, GFI). The Foreign Affiliates are controlled by The Good Food Institute, Inc. and thus have been consolidated in these financial statements. All inter-organizational accounts and transactions have been eliminated in consolidation.

**Foreign Exchange**

For the years ended December 31, 2023 and 2022, foreign currency exchange gain/(loss) associated with operations of the Foreign Affiliates was \$149,907 and \$59,341, respectively.

**Grants and Contributions Receivable**

Accounts receivable consist primarily of unconditional promises to give. GFI records written 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 grants and contribution revenue in the consolidated statements of activities. Conditional promises to give are not included as support until the conditions are met.

As of December 31, 2023 and 2022, GFI's grants and contributions receivable consisted of unconditional promises to give in the amount of \$14,553,282 and \$5,885,795, respectively. The management of GFI reviews the collectability of receivables on a regular basis. No reserve for doubtful accounts has been established since management expects to collect all grants and contributions receivable in full.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Property and Equipment**

GFI records property and equipment additions over \$3,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**Investments**

GFI records investment purchases at cost, or if donated, at fair value on the date of donation. It is GFI's policy to liquidate donated securities shortly after they're received. Investments are reported at their fair values in the consolidated statements of financial position. Net investment return/(loss) is reported in the consolidated 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 restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor restrictions. Some donor 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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Contributions are recognized when cash, securities, other assets, or an unconditional written promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Donated Services and In-Kind Contributions**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by GFI. Volunteers also provided services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria were not met. Contributed goods are recorded at fair value at the date of donation.

**Functional Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. These expenses are allocated primarily based on headcounts. Expenses directly identifiable to specific programs and supporting activities are allocated accordingly.

**Estimates**

The preparation of the consolidated 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 consolidated 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.

**Income Taxes**

The Good Food Institute, Inc. is organized as a Delaware nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as an organization described in Internal Revenue Code (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 a private foundation under IRC Sections 509(a)(1) and (3).

The Good Food Institute, Inc. requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. GFI does not believe its consolidated financial statements include, or reflect, any uncertain tax positions.

The Good Food Institute, Inc. is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that the entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Financial Instruments and Credit Risk**

GFI manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, GFI has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from donors and foundations supportive of its mission.

**Subsequent Events**

In 2024, The Good Food Institute, Inc. plans to enter into an affiliate agreement with The Good Food Institute Japan.

GFI has evaluated subsequent events through September 17, 2024, the date the consolidated financial statements were available to be issued.

**NOTE 2 CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable are unconditional promises to give and are stated at their net realizable value as follows December 31:

	2023	2022
Receivables Due in Less than a Year	\$ 9,506,581	\$ 4,808,954
Receivables Due in One to Five Years	5,880,000	1,125,000
Receivables Due after Five years	-	-
Less: Amount to Reduce to Present Value	(833,299)	(48,159)
Grants and Contributions Receivable, Net	<u>\$ 14,553,282</u>	<u>\$ 5,885,795</u>

**NOTE 3 LIQUIDITY AND AVAILABILITY**

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

	2023	2022
Cash and Cash Equivalents	\$ 4,808,224	\$ 4,036,633
Grants and Contributions Receivable	14,493,282	4,655,543
Operating Investments	44,939,039	38,870,526
Total Financial Assets and Liquidity Resources		
Available Within One Year	<u>\$ 64,240,545</u>	<u>\$ 47,562,702</u>



**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.**  
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**NOTE 4 FAIR VALUE MEASUREMENTS AND DISCLOSURES**

GFI reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that GFI can access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

*Level 3* – Unobservable inputs for the asset or liability. In these situations, GFI develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset, or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of our investment assets are classified within Level 1 because they comprise open-end mutual funds, money market funds, exchange traded funds and equities with readily determinable fair values based on daily redemption values. GFI invests in CDs traded in the financial markets. Those CDs are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2. These level 2 securities include U.S. Treasury Bills and inputs used to value Level 2 securities include interest rates for similar treasury obligations with similar maturities and net asset values provided by funds is utilized as a practical expedient.

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**NOTE 4 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

The following tables present assets measured at fair value on a recurring basis at December 31:

	2023			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 318,656	\$ -	\$ -	\$ 318,656
Certificates of Deposit	-	4,824,758	-	4,824,758
U.S. Treasury Bills	-	26,982,424	-	26,982,424
Exchange Traded Funds	12,813,201	-	-	12,813,201
Total	<u>\$ 13,131,857</u>	<u>\$ 31,807,182</u>	<u>\$ -</u>	<u>\$ 44,939,039</u>

  

	2022			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 1,487,357	\$ -	\$ -	\$ 1,487,357
Certificates of Deposit	-	8,017,123	-	8,017,123
U.S. Treasury Bills	-	18,937,540	-	18,937,540
Equities	10,428,506	-	-	10,428,506
Total	<u>\$ 11,915,863</u>	<u>\$ 26,954,663</u>	<u>\$ -</u>	<u>\$ 38,870,526</u>

**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes at December 31:

	2023	2022
Subject to the Passage of Time and Specified Purpose:		
Research Grants Awarded - Purpose Restriction	\$ 1,000,000	\$ 1,000,000
International Affiliate - Time and Purpose Restriction	207,532	200,000
Alternative Protein Consumer Research - Time and Purpose Restriction	31,450	50,630
Policy Roadmapping & Other	402,772	-
Subject to the Passage of Time	14,466,664	5,879,643
Total Net Assets with Donor Restrictions	<u>\$ 16,108,418</u>	<u>\$ 7,130,274</u>

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.**  
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**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purpose or by occurrence of the passage of time. The donor releases for the years ended December 31, are as follows:

	<u>2023</u>	<u>2022</u>
Expiration of Time Restriction and Satisfaction of Purpose Restrictions:		
Research Grants Awarded - Purpose Restriction	\$ 2,929,560	\$ 2,974,503
International Affiliate - Time and Purpose Restriction Subject to the Passage of Time	1,710,219	2,239,000
Alt Protein Consumer Research	4,742,801	11,792,350
Policy Roadmapping & Other	517,205	519,370
Policy Work	581,931	-
SciTech Work	-	351,763
	<u>-</u>	<u>351,763</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 10,481,716</u>	<u>\$ 18,228,749</u>

**NOTE 6 DONATED PROFESSIONAL SERVICES AND MATERIALS**

GFI received donated goods, legal and other professional services. All donated services and goods are used by GFI, not monetized, and did not have donor-imposed restrictions associated with them. GFI estimates the fair value of donated goods and professional fees on the basis of estimates of current market rates for similar goods and services. The corresponding value of services and functional expense categories for the years ended December 31 are as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>International</u>	<u>Total</u>
<u>2023</u>					
Goods	\$ 37,339	\$ -	\$ -	\$ -	\$ 37,339
Professional Fees	887,346	31,098	-	193	918,637
	<u>\$ 924,685</u>	<u>\$ 31,098</u>	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ 955,976</u>
<u>2022</u>					
Goods	\$ 6,150	\$ 2,437	\$ 1,508	\$ 1,516	\$ 11,611
Professional Fees	237,468	35,408	-	1,198	274,074
	<u>\$ 243,618</u>	<u>\$ 37,845</u>	<u>\$ 1,508</u>	<u>\$ 2,714</u>	<u>\$ 285,685</u>

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.**  
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**NOTE 7 EMPLOYEE BENEFITS**

GFI has a 401(k) and profit-sharing plan (the Plan). Employees are eligible to participate in the Plan after completing three months of service. Participants may elect to make voluntary contributions to the Plan. GFI may decide each plan year whether to make discretionary matching and profit-sharing contributions on behalf of eligible active participants. The participant contributions are 100% vested when made. Employer discretionary contributions made after January 1, 2023, are immediately vested. Employer discretionary contributions made prior to January 1, 2023, vest as follows: 25% vested after 1 year of employment, 50% vested after 2 years of employment, 75% vested after 3 years of employment, and fully vested after 4 years of employment. GFI made \$315,760 and \$138,835 of matching contributions for the years ended December 31, 2023 and 2022, respectively.

**NOTE 8 LEASES**

GFI rents office space under an operating lease arrangement that commenced in 2023 and expires in May 2026. In the normal course of business, it is expected that the lease will be renewed or replaced by similar leases.

The following table provide quantitative information concerning GFI's lease as of and for the year ended December 31, 2023. There were no material leases at December 31, 2022.

<b>Lease Costs:</b>	2023
Operating Lease Costs	\$ 87,266
Total	<u>\$ 87,266</u>
<b>Other Information:</b>	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 69,559
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities:	\$ 250,559
Weighted-Average Remaining Lease Term - Operating Leases	2.4 Years
Weighted-Average Discount Rate - Operating Leases	5.20%

GFI classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023, is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 92,182
2025	95,869
2026	<u>41,168</u>
Total Lease Payments	229,219
Less: Interest	<u>(42,905)</u>
Total	<u>\$ 186,314</u>

**THE GOOD FOOD INSTITUTE, INC. AND AFFILIATES, INC.**  
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**NOTE 9 FOREIGN AFFILIATE FUNDING**

The Good Food Institute, Inc. provided financial support to its Foreign Affiliates through direct contributions and additional direct expenses for its International program of \$12,353,384 and \$7,592,114 respectively, for the years ended December 31, 2023 and 2022, respectively.

**NOTE 10 LOSS FROM RETURN OF CONTRIBUTIONS**

In 2022, the board of directors designated \$1.75 million of contributions, in case GFI was required to return funds to the debtors of the bankruptcy estate of a donor that had filed for bankruptcy. The board designated funds are included in net assets without donor restrictions on the consolidated statement of net assets as of December 31, 2022. In 2023, GFI voluntarily returned the \$1,750,000 of contributions received to the debtors in possession of the bankruptcy estate. The return of funds is reported as loss from return of contributions on the consolidated statement of changes in net assets for the year ended December 31, 2023. As such, the board restricted net assets were released during 2023.

