

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS
and Supplemental Information

December 31, 2019 and 2018

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position, December 31, 2019 and 2018	2
Statement of Activities for the Year Ended December 31, 2019	3
Statement of Activities for the Year Ended December 31, 2018	4
Statement of Functional Expenses for the Year Ended December 31, 2019	5
Statement of Functional Expenses for the Year Ended December 31, 2018	6
Statements of Cash Flows for the Years Ended December 31, 2019 and 2018	7
Notes to Financial Statements	8 – 21
SUPPLEMENTAL INFORMATION	
Independent Auditor’s Report on Supplemental Information	22
Schedule of Expenses – Including the Fair Value of Non-Professional Volunteer Services for the Year Ended December 31, 2019	23
Schedule of Expenses – Including the Fair Value of Non-Professional Volunteer Services for the Year Ended December 31, 2018	24
Notes to Supplemental Information	25

Carolyn A. Mayes, CPA
Auditing and Consulting Services

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Ceres Community Project
Sebastopol, California

I have audited the accompanying financial statements of The Ceres Community Project (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, in making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Ceres Community Project as of December 31, 2019 and 2018 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.

Carolyn A. Mayes, CPA

Santa Rosa, California
April 24, 2020

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Statements of Financial Position
December 31, 2019 and 2018

	December 31,	
	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 332,794	\$ 449,594
Accounts Receivable	170,946	92,225
Inventory	2,762	10,448
Prepaid Expenses and Deposits	87,750	41,519
TOTAL CURRENT ASSETS	594,252	593,786
Prepaid Copier Expenses	13,640	20,917
Capitalized Technology Costs	137,113	66,465
Property and Equipment, net	1,060,509	1,108,943
TOTAL ASSETS	\$ 1,805,514	\$ 1,790,111
LIABILITIES AND NET ASSETS		
Accounts Payable	22,782	71,567
Accrued Salaries and Wages	63,961	53,914
Accrued Paid Time Off	55,984	34,597
Other Current Liabilities	11,138	18,573
Deferred Grant Revenues	70,000	-
Bank Line of Credit	75,000	-
Current Portion of Long-term Debt	20,000	20,000
TOTAL CURRENT LIABILITIES	318,865	198,651
Long-term Debt	351,249	369,922
TOTAL LIABILITIES	670,114	568,573
NET ASSETS		
Without Donor Restrictions	1,062,095	1,148,205
With Donor Restrictions	73,305	73,333
TOTAL NET ASSETS	1,135,400	1,221,538
TOTAL LIABILITIES AND NET ASSETS	\$ 1,805,514	\$ 1,790,111

The Accompanying Notes are an Integral Part of These Financial Statements

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Statement of Activities
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:			
Contributions:			
Individuals	\$ 967,390	\$ -	\$ 967,390
Foundations	446,620	133,000	579,620
Businesses and Organizations	184,596	31,520	216,116
In-Kind Contributions	248,740	-	248,740
Special Events, net of direct expenses totaling \$112,634	218,090	-	218,090
Sales of Food Products	165,736	-	165,736
Government Grant Income	246,369	-	246,369
Affiliate Licensing and Training Fees	31,551	-	31,551
Community Outreach Revenues	42,881	-	42,881
Net Assets Released From Restrictions:			
Satisfaction of Time Restrictions	14,500	(14,500)	-
Satisfaction of Purpose Restrictions	150,048	(150,048)	-
TOTAL REVENUES AND SUPPORT	<u>2,716,521</u>	<u>(28)</u>	<u>2,716,493</u>
 EXPENSES:			
Program Services:			
Meal Program-Sebastopol	817,149	-	817,149
Meal Program-Marin County	268,227	-	268,227
Meal Program-Dream Center	405,782	-	405,782
Community Outreach and Education	393,883	-	393,883
Catering	10,937	-	10,937
California Medi-Cal Study	105,778	-	105,778
National Program	37,279	-	37,279
Total Program Services	<u>2,039,035</u>	<u>-</u>	<u>2,039,035</u>
Supporting Services:			
General & Administrative	399,245	-	399,245
Fundraising	364,351	-	364,351
Total Supporting Services	<u>763,596</u>	<u>-</u>	<u>763,596</u>
TOTAL EXPENSES	<u>2,802,631</u>	<u>-</u>	<u>2,802,631</u>
 CHANGE IN NET ASSETS	 (86,110)	 (28)	 (86,138)
NET ASSETS, BEGINNING	<u>1,148,205</u>	<u>73,333</u>	<u>1,221,538</u>
NET ASSETS, END OF YEAR	<u>\$ 1,062,095</u>	<u>\$ 73,305</u>	<u>\$ 1,135,400</u>

The Accompanying Notes are an Integral Part of These Financial Statements

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Statement of Activities
For the Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT:			
Contributions:			
Individuals	\$ 789,567	\$ 9,500	\$ 799,067
Foundations	364,479	102,800	467,279
Businesses and Organizations	285,366	17,600	302,966
In-Kind Contributions	234,209		234,209
Special Events	275,134		275,134
Sales of Food Products	266,135		266,135
Government Grant Income	182,783		182,783
Affiliate Licensing and Training Fees	29,508		29,508
Community Outreach Revenues	25,757		25,757
Gain on Sale of Assets	532		532
Net Assets Released From Restrictions:			
Satisfaction of Program Restrictions	<u>114,086</u>	<u>(114,086)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>2,567,556</u>	<u>15,814</u>	<u>2,583,370</u>
EXPENSES:			
Program Services:			
Meal Program-Sebastopol	852,265		852,265
Meal Program-Marin County	219,443		219,443
Meal Program-Dream Center	359,389		359,389
Community Outreach and Education	266,216		266,216
Catering	103,432		103,432
California Medi-Cal Study	78,287		78,287
National Program	<u>11,485</u>		<u>11,485</u>
Total Program Services	<u>1,890,517</u>	<u>-</u>	<u>1,890,517</u>
Supporting Services:			
General & Administrative	350,217	-	350,217
Fundraising	<u>371,629</u>	<u>-</u>	<u>371,629</u>
Total Supporting Services	<u>721,846</u>	<u>-</u>	<u>721,846</u>
TOTAL EXPENSES	<u>2,612,363</u>	<u>-</u>	<u>2,612,363</u>
CHANGE IN NET ASSETS	(44,807)	15,814	(28,993)
NET ASSETS, BEGINNING	<u>1,193,012</u>	<u>57,519</u>	<u>1,250,531</u>
NET ASSETS, END OF YEAR	<u>\$ 1,148,205</u>	<u>\$ 73,333</u>	<u>\$ 1,221,538</u>

The Accompanying Notes are an Integral Part of These Financial Statements

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program Expenses							Supporting Expenses			
	Meal Programs			Community Outreach	Catering	CA Medi-Cal Study	National Program	Total Programs	General & Administrative		Total
	Sebastopol	Marin County	Dream Center						Administrative	Fundraising	
EXPENSES											
Compensation Expenses:											
Salaries and Wages	\$ 360,286	\$ 145,966	\$ 212,223	\$ 230,385	\$ 4,903	\$ 53,552	\$ 25,460	\$ 1,032,775	\$ 173,195	\$ 243,082	\$ 1,449,052
Payroll Tax Expenses	30,418	11,766	17,464	18,302	615	4,023	1,654	84,242	12,869	19,797	116,908
Employee Benefits	35,043	13,514	13,502	18,772	563	6,762	3,527	91,683	6,213	18,696	116,592
	425,747	171,246	243,189	267,459	6,081	64,337	30,641	1,208,700	192,277	281,575	1,682,552
Contributed Professional Services	32,744	426	13,507	-	-	-	-	46,677	91,939	-	138,616
Total Compensation Expenses	458,491	171,672	256,696	267,459	6,081	64,337	30,641	1,255,377	284,216	281,575	1,821,168
Food	151,825	39,124	55,885	12,836	79	8,096	-	267,845	85	5,639	273,569
Rent	27,158	33,241	27,000	10,944	38	1,330	532	100,243	4,560	12,616	117,419
Professional Fees	8,015	3,173	4,523	16,608	-	15,790	751	48,860	52,506	8,209	109,575
Computer, Telephone, Internet	25,348	5,834	10,829	12,492	-	3,353	1,211	59,067	18,595	21,714	99,376
Depreciation and Amortization	62,869	2,485	5,395	9,005	100	1,818	1,413	83,085	3,567	6,941	93,593
Facilities and Equipment Expenses	25,875	3,008	25,885	2,347	606	731	-	58,452	33	222	58,707
Program Expenses	19,303	2,267	9,509	8,117	-	4,394	-	43,590	5,986	162	49,738
Marketing and Promotion	885	303	334	25,309	-	11	30	26,872	275	1,080	28,227
Interest Expense	21,012	72	96	2,541	-	31	17	23,769	1,096	261	25,126
Travel and Meetings	1,049	4,581	1,201	7,889	-	4,593	2,422	21,735	1,417	1,641	24,793
Outside Services	6,225	812	3,140	3,452	46	199	232	14,106	4,128	5,081	23,315
Insurance	891	-	228	-	-	-	-	1,119	15,509	-	16,628
Professional Development	1,506	894	1,029	3,663	-	62	21	7,175	3,256	811	11,242
Office Supplies	1,820	449	1,472	1,725	-	33	9	5,508	3,712	732	9,952
Banking and Processing Fees	-	-	-	96	-	-	-	96	-	9,692	9,788
Special Event	-	-	67	78	1,917	-	-	2,062	-	6,847	8,909
Licenses and Fees	2,600	241	329	215	-	-	-	3,385	3,334	105	6,824
Postage and Shipping	1,689	23	56	857	-	-	-	2,625	985	363	3,973
Youth Paid Work Experience	468	-	-	744	2,070	-	-	3,282	-	660	3,942
Dues and Subscriptions	120	48	72	1,853	-	1,000	-	3,093	483	-	3,576
Other Expenses			2,036	5,653				7,689	(4,498)		3,191
TOTAL EXPENSES	\$ 817,149	\$ 268,227	\$ 405,782	\$ 393,883	\$ 10,937	\$ 105,778	\$ 37,279	\$ 2,039,035	\$ 399,245	\$ 364,351	\$ 2,802,631

The Accompanying Notes are an Integral Part of These Financial Statements

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Statement of Functional Expenses
For the Year Ended December 31, 2018

	Program Expenses							Supporting Expenses			
	Meal Programs			Community Outreach	Catering	CA Medi-Cal Study	National Program	Total Programs	General &		Total
	Sebastopol	Marin County	Dream Center						Administrative	Fundraising	
EXPENSES											
Compensation Expenses:											
Salaries and Wages	\$ 383,796	\$ 126,206	\$ 164,923	\$ 169,877	\$ 57,370	\$ 42,672	\$ 9,121	\$ 953,965	\$ 169,299	\$ 224,447	\$ 1,347,711
Payroll Tax Expenses	31,825	10,929	15,053	13,712	4,744	3,138	700	80,101	13,308	18,660	112,069
Employee Benefits	36,134	10,050	13,759	16,649	4,781	3,247	395	85,015	16,311	8,388	109,714
	451,755	147,185	193,735	200,238	66,895	49,057	10,216	1,119,081	198,918	251,495	1,569,494
Contributed Professional Services	54,826	-	4,154	182	-	-	-	59,162	69,421	-	128,583
Total Compensation Expenses	506,581	147,185	197,889	200,420	66,895	49,057	10,216	1,178,243	268,339	251,495	1,698,077
Food	155,438	27,935	46,476	244	-	1,385	30	231,508	95	2,117	233,720
Professional Fees	33,358	753	8,911	10,173	152	13,773	-	67,120	22,754	19,562	109,436
Rent	27,234	18,938	26,943	10,944	1,539	-	456	86,054	4,560	12,312	102,926
Depreciation	45,605	3,812	24,972	3,444	815	420	80	79,148	2,173	2,411	83,732
Computer, Telephone, Internet	13,252	4,364	10,400	7,933	1,895	2,106	186	40,136	10,922	12,074	63,132
Facilities and Equipment Expenses	24,063	4,358	25,600	3,213	5,623	-	-	62,857	41	136	63,034
Special Event	-	282	-	-	-	-	-	282	-	42,813	43,095
Development and Travel	1,356	6,536	1,526	5,829	1,478	5,551	-	22,276	6,651	2,157	31,084
Supplies & Cookbooks	9,869	1,472	2,568	3,106	40	3,455	-	20,510	5,347	342	26,199
Outside Services	6,167	2,484	3,726	2,822	485	-	66	15,750	6,254	2,836	24,840
Interest Expense	19,891	-	-	2,210	-	-	-	22,101	1,029	-	23,130
Marketing and Promotion	845	309	649	12,001	500	88	-	14,392	271	5,949	20,612
Banking and Processing Fees	-	-	779	-	-	-	-	779	3,446	12,750	16,975
Catering Expenses	287	18	326	-	15,393	-	-	16,024	-	-	16,024
Insurance	1,536	610	1,358	611	334	442	41	4,932	9,878	713	15,523
Dues and Subscriptions	393	332	60	1,338	60	2,000	399	4,582	4,830	3,851	13,263
Garden Expenses	3,929	-	6,025	-	-	-	-	9,954	-	-	9,954
Youth Paid Work Experience	60	-	-	-	7,996	-	-	8,056	-	-	8,056
Postage and Shipping	547	55	75	1,755	-	10	11	2,453	1,737	86	4,276
Licenses and Fees	1,082	-	1,106	-	227	-	-	2,415	1,751	25	4,191
Other Expenses	772	-	-	173	-	-	-	945	139	-	1,084
TOTAL EXPENSES	\$ 852,265	\$ 219,443	\$ 359,389	\$ 266,216	\$ 103,432	\$ 78,287	\$ 11,485	\$ 1,890,517	\$ 350,217	\$ 371,629	\$ 2,612,363

The Accompanying Notes are an Integral Part of These Financial Statements

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (86,138)	\$ (28,993)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	81,908	83,732
Loss (Gain) on disposal of assets	3,404	(681)
(Increase) Decrease in current assets:		
Accounts receivable	(78,721)	(87,494)
Inventory	7,686	2,507
Other current Assets	(69,955)	(6,952)
Prepaid expenses and deposits	(39,647)	5,822
Increase (Decrease) in current liabilities:		
Accounts payable	(48,785)	50,014
Accrued payroll	10,047	22,998
Accrued paid time off	21,387	(9,344)
Deferred grant revenues	70,000	-
Other current liabilities	(7,435)	8,484
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(136,249)	40,093
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment and software	(36,878)	(134,273)
Proceeds from sale of real property held for sale	-	158,149
Proceeds from sale of Café Equipment	-	3,600
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(36,878)	27,476
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	125,000	-
Repayments to line of credit	(50,000)	-
Repayments of long-term debt	(18,673)	(18,588)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	56,327	(18,588)
CHANGE IN CASH AND CASH EQUIVALENTS	(116,800)	48,981
CASH AND CASH EQUIVALENTS, Beginning of Year	449,594	400,613
CASH AND CASH EQUIVALENTS, End of Year	\$ 332,794	\$ 449,594

The Accompanying Notes are an Integral Part of These Financial Statements

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Ceres Community Project (the Organization) is a non-profit public benefit corporation which was incorporated in the State of California in 2008. The Organization’s administrative offices are located in Sebastopol, California. The Organization’s primary community kitchens are located in Sebastopol, Santa Rosa, and Marin County, California.

The Organization’s mission is three-fold: (1) to provide those facing cancer and other life-threatening illnesses with nourishing whole foods meals that can support their healing, (2) to teach teens how to cook and eat for health and to develop them as future leaders committed to making a difference in their communities, and (3) to educate the general public about the vital link between what we eat and our health.

The organization delivers meals from their commercial kitchen locations to client families struggling with life-threatening illnesses. The teen leadership programs engage in service learning in organic food nutrition and preparation. The teens in Sebastopol and Santa Rosa also engage in service learning in organic food gardening. In addition, the Organization conducts educational programs on health and healing foods.

Adoption of New Accounting Policies

FASB ASU No 2018-08

In June 2018, the Financial Accounting Standards Board (FASB) issued FASB ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which includes the following provisions relative to the organization:

- The guidance distinguishes between contributions and exchange transactions. Organization should follow the guidance in Subtopic 958-605 for contributions and Topic 606, *Revenue from Contracts with Customers*, for exchange transactions. Transactions in which the resource provider receives commensurate value in return for the resources transferred is generally an exchange transaction. A benefit received by the public as a result of the assets transferred is not equivalent to commensurate value received by the resource provider. Positive sentiment from acting as a donor also does not constitute commensurate value.
- For transactions which are determined to be contributions, the organization must first determine when a contribution is conditional. Contributions which contain both a barrier and a right of return are generally considered conditional.
- Conditional contributions received are accounted for as a liability or are unrecognized initially, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with donor restrictions or net assets without donor restrictions.
- FASB ASU No. 2018-08 is effective for annual financial statements issued for fiscal years beginning after December 15, 2018.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

The Organization adopted FASB ASU 2018-08 effective January 1, 2019 on a modified prospective basis to agreements not completed or entered into as of January 1, 2019. As a result of this adoption, \$70,000 of contributions received during the year ended December 31, 2019 were determined to be conditional at December 31, 2019 and were included in deferred grant revenues in the Statement of Financial Position. Under the previous guidance, the \$70,000 would have been included in contribution revenues during the year ended December 31, 2019.

FASB ASU No 2018-15

In August 2018, the Financial Accounting Standards Board (FASB) issued FASB ASU No. 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40), Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*, which includes the following provisions relative to the organization:

- The guidance determines that internal use software that a customer obtains access to in a hosting arrangement is considered to be a service contract when both of the following criteria are not met.
 1. The customer has the contractual right to take possession of the software at any time during the hosting period without significant penalty.
 2. It is feasible for the customer to either run the software on its own hardware or contract with another party unrelated to the vendor to host the software.
- Implementation costs of a hosting arrangement that is a service contract are to be capitalized. Costs related to the design, training, data conversion and hosting are to be expensed as they are incurred.
- The capitalized implementation costs should be presented in the same line in the Statement of Financial Position that a prepayment of the fees for the associated hosting arrangement would be presented.
- The capitalized implementation costs should be amortized over the estimated life of the contract and the expense should be included in the same line item in the Statement of Activities as the expense for the fees for the associated hosting arrangement.
- The cash flows from capitalized implementation costs should be included in the Statement of Cash Flows in the same manner as the cash flows for the fees for the associated hosting arrangement.
- FASB ASU No. 2018-15 is effective for annual financial statements issued for fiscal years beginning after December 15, 2020. Early adoption is permitted.

The Organization adopted FASB ASU No. 2018-15 effective January 1, 2019 on a retroactive basis. As a result, \$148,230 of implementation costs related to a software development and implementation agreement in a hosting environment was capitalized as Capitalized Technology Costs in the Statement of Financial Position.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Basis of Accounting – The financial statements of the Organization have been prepared under the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Reclassifications in Financial Statements – Certain amounts in the prior year financial statements have been reclassified to reflect the classifications in the current year.

Revenue Recognition for Exchange Transactions – Contract revenues and sales of products and services are exchange transactions. Revenues from exchange transactions are recognized when earned and expenses are recognized as incurred. Amounts received in advance are recorded as deferred revenue.

Revenue Recognition for Contributions – Contributions which contain barriers and rights of return are considered conditional. Revenue related to conditional contributions is recognized when the condition is removed. Amounts received for conditional contributions are recorded as deferred revenue until the condition is removed.

Contributions of cash and other assets with donor stipulations that limit the use of the donated asset are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. Other purpose and time restricted support is reported as an increase in net assets with donor restrictions. Upon accomplishment of a donor's intended purpose, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities as net assets released from restrictions.

Revenue Recognition for Program Service Fees – Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

In-Kind Contributions and Expenses – Donated assets, food, use of facilities and professional services are recorded at fair market value on the date of donation.

Functional Allocation of Expenses – The costs of programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses are primarily charged directly to program or supporting service categories based on specific identification. Depreciation expense is allocated based on actual hours. Computer, telephone, internet, insurance and certain facility expenses are allocated based on square footage.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Cash and Cash Equivalents – Cash and cash equivalents primarily consists of deposits held on demand at a bank. The organization considers all highly liquid deposits held at financial processing companies to be cash equivalents.

Accounts Receivable – Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management believes the amounts receivable are fully collectible and has not established an allowance for doubtful accounts.

Inventory – Inventory includes cookbooks available for sale. Inventory is stated at cost using the first-in, first out method.

Capitalized Technology Costs – Capitalized technology costs include capitalized implementation costs related to a service contract in a hosting environment. These costs are being amortized over the estimated life of the contract which has been determined to be 10 years.

Property and Equipment – Property and equipment is stated at cost or at estimated fair market value at date of donation. The Organization capitalizes property and equipment at a cost or fair market value greater or equal to \$1,500. Depreciation is calculated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building Improvements	5 - 40
Kitchen Equipment	7 - 12
Computer and Office Equipment	5
Catering Van	5

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses during the period. Accordingly, actual results may differ from these estimates.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Taxes – The Ceres Community Project is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The Internal Revenue Service has determined that The Ceres Community Project is an organization described in Sections 509(a)(1) and 170(b)(1)(A)(i) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require the Organization’s management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service and state taxing authorities. The Organization’s evaluation on December 31, 2018 and 2017 revealed no tax positions that would have a material impact on the financial statements.

The Organization is subject to routine audits for three years after the later of the due date or filing date of its federal informational and income tax returns and for four years for its California returns; however, there are currently no audits for any tax periods in progress.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31, 2019 and 2018:

	2019	2018
Exchange Bank Checking Account	\$319,890	\$421,648
Merchant Accounts	12,404	27,546
Petty Cash	500	400
Totals	\$332,794	\$449,594

Cash and cash equivalents held at Exchange Bank frequently exceeded the federally insured limit of \$250,000 in the years ended December 31, 2019 and 2018.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 3 – LIQUIDITY AND AVAILABILITY

The following reflects the Organization’s financial assets as of December 31, 2019 and 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial Assets at December 31, 2019:

Net cash and cash equivalents	\$332,794
Accounts receivable	170,945
Total Financial Assets at December 31, 2019	503,739

Less those unavailable for general expenditures within one year, due to:

Contractual or donor-imposed restrictions:	
Deferred grant revenues	(70,000)
Restricted by donor	(73,350)

Financial assets available to meet cash needs from general expenditures within one year	\$360,389
---	-----------

Financial Assets at December 31, 2018:

Net cash and cash equivalents	\$449,594
Accounts receivable	92,225
Total Financial Assets at December 31, 2018	541,819

Less those unavailable for general expenditures within one year, due to:

Contractual or donor-imposed restrictions:	
Restricted by donor	(73,333)

Financial assets available to meet cash needs from general expenditures within one year	\$468,486
---	-----------

The Ceres Community Project had financial assets of \$360,389 and \$468,486 to meet cash needs for general expenditures as of December 31, 2019 and 2018, respectively, representing approximately 45 – 60 days of operating expenses. Ceres Community Project is substantially supported by contributions and program fees. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 3 – LIQUIDITY AND AVAILABILITY (continued)

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In the event of an unanticipated liquidity need, the Organization also could draw upon a \$200,000 line of credit, of which \$125,000 and \$200,000 was available at December 31, 2019 and 2018, respectively. (as further discussed in Note 7).

NOTE 4 – CAPITALIZED TECHNOLOGY COSTS

Capitalized technology costs consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Total Capitalized Technology Costs	\$148,230	\$66,465
Less Accumulated Amortization	<u>(11,117)</u>	<u>-</u>
Property and Equipment, net	<u>\$137,113</u>	<u>\$66,465</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$265,400	\$265,400
Building and Improvements	740,132	738,142
Kitchen and Office Equipment	357,455	327,862
Computer Software	77,940	77,940
Vehicles	<u>17,500</u>	<u>17,500</u>
Total Property and Equipment	1,458,427	1,426,844
Less Accumulated Depreciation	<u>(397,918)</u>	<u>(317,901)</u>
Property and Equipment, net	<u>\$1,060,509</u>	<u>\$1,108,943</u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 6 – LAND AND BUILDING LEASES

The Organization was a lessee in the following leases during the years ended December 31, 2019 and 2018.

Sebastopol, California

The organization subleases office space in Sebastopol, California under a license agreement on a month-to-month basis at \$3,800 per month. The agreement also includes the use of adjacent land for the Ceres Community Garden as a donation to the Organization valued at \$1,500 per month as determined by the landlord and Organization. The estimated fair value of the land usage totals \$18,000 per year and has been included in in-kind contribution revenues and rent expenses in the Statement of Activities in the years ended December 31, 2019 and 2018.

Santa Rosa, California

The Organization began meal and café operations in Santa Rosa, California in February 2016 under a lease and integrated service agreement with the Social Advocates for Youth. In accordance with the agreement, the Organization purchased kitchen, garden and office equipment to operate its meal program and Social Advocates for Youth provides the kitchen, café and office space to the Organization for two 10 year rent free lease terms. The first 10-year term matures on December 31, 2025. As of December 31, 2019, the Organization has purchased commercial kitchen equipment at this location at a total cost of \$119,050. The estimated fair value of the facilities usage totals \$23,124 per year and has been included in in-kind contribution revenues and rent expenses in the Statement of Activities in the years ended December 31, 2019 and 2018.

Marin County, California

The Organization uses the commercial kitchen and storage facilities of Community Action Marin, a non-profit corporation, for its program operations in Marin County under an operating lease which expires on July 31, 2020. Effective August 1, 2019, the monthly rent and services increased to \$3,114 per month.

Rental expenses, including donated facilities, totaled \$103,502 and \$102,926 in the years ended December 31, 2019 and 2018, respectively. The fair value of donated facilities included in rental expenses totaled \$41,124 per year in each of the years ended December 31, 2019 and 2018.

As of December 31, 2019, future minimum lease payments total \$21,798 for the year ending December 31, 2020.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 7 – BANK LINES OF CREDIT

The Organization has a bank line of credit for \$200,000. Outstanding balances accrue interest based on the greater of lender’s prime rate or 7.25% per annum. The outstanding balance totaled \$75,000 and \$0 at December 31, 2019 and 2018, respectively. The line of credit is secured by substantially all accounts, inventory, equipment and general intangible assets of the Organization and expires on November 1, 2020.

The Organization has an unsecured credit card with a bank with a limit of \$40,000. The outstanding balance totaled \$15,268 and \$9,379 and at December 31, 2019 and 2018, respectively, and was included in Accounts Payable in the Statement of Financial Position.

NOTE 8 – LONG TERM DEBT

Long term debt consisted of the following at December 31, 2019 and 2018:

	2019	2018
<p>Note payable to finance company, monthly payments of principal and interest totaling \$2,719 are due each month. The interest rate is adjustable quarterly at the finance company’s prime rate plus .75%. The interest rate at December 31, 2019 and 2018 was 6.0% and 6.25%, respectively, per annum. The remaining balance of approximately \$328,000 is due in full on August 1, 2022. The note is secured by a deed of trust on the Organization’s facilities at 7351 Bodega Avenue in Sebastopol, California at a total cost of \$969,993 and substantially all other assets of the Organization. In addition, \$12,500 of cash belonging to individuals is being held by the lender in secured accounts to guarantee the loan.</p>	\$ 352,566	\$ 362,700
<p>Capital lease payable to financing company for office equipment and prepaid copier costs during the lease term, monthly payments of principal and interest and sales tax totaling approximately \$784 are due through January 2022. Secured by office equipment at an approximate cost of \$10,500.</p>	18,683	27,222
<p>Total Long Term Debt</p>	371,249	389,922
<p>Less Current Portion</p>	(20,000)	(20,000)
<p>Non-current Portion</p>	\$351,249	\$369,922

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 8 – LONG TERM DEBT (Continued)

The note payable to finance company is subject to certain financial covenants. The Organization received a waiver for its Debt Service Coverage Ratio covenant for the year ended December 31, 2019. The Organization was in compliance with the remaining financial covenants at December 31, 2019 and 2018.

Future scheduled maturities of the long term debt are as follows as of December 31, 2019:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	20,000
2021	22,000
2022	<u>329,249</u>
	<u><u>\$371,249</u></u>

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to the passage of time:		
Available for 2019 expenses	<u>\$ -</u>	<u>\$14,500</u>
Subject to expenditure for specified purpose:		
Paid Youth Internships	-	8,829
Modular Workstations	10,049	-
Rain Catchment Program	-	2,904
Marin Meal Program	20,000	15,000
Specific Client Meals	35,256	-
Dream Center Program Expansion	8,000	-
Dream Center in Santa Rosa - Salaries	-	20,000
Dream Center in Santa Rosa - Garden	-	12,100
	<u>73,305</u>	<u>58,833</u>
Total Net Assets with Donor Restrictions	<u><u>\$73,305</u></u>	<u><u>\$73,333</u></u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 10 – IN-KIND CONTRIBUTIONS

In the years ended December 31, 2019 and 2018, the Organization received in-kind donations of real property, food, facility usage, auction items and skilled services. The revenues and expenses related to in-kind auction items are netted in the statement of activities in Special Event revenue. The remaining in-kind contributions have been included in the statements of activities and statements of functional expenses as in-kind contribution revenues and food expenses, rent expenses, and contributed professional service expenses as follows:

	2019	2018
In-Kind Contribution Expenses:		
Food	\$ 69,000	\$ 64,502
Use of Land for Garden	18,000	18,000
Use of Santa Rosa Kitchen at Dream Center	23,124	23,124
Professional Services	138,616	128,583
Total In-Kind Contribution Revenues	\$248,740	\$234,209
In-Kind Contributions of Auction Items included in Special Event Income and Expenses	\$55,359	\$26,280

Contributed Professional Services:

Contributed professional services primarily include donated skilled services from chefs, landscapers, licensed social workers, educators and organizational development professionals. The fair value of these professional services has been determined by management using the U.S. Department of Labor’s Occupational Employment Statistics for each relevant job classification in the Santa Rosa and San Rafael metropolitan areas, plus payroll taxes and employee benefits estimated at 18% of salaries and wages.

The total fair value of contributed professional services included in the financial statements in the year ended December 31, 2019 is as follows:

	Number of Hours Contributed	Average Fair Value Per Hour of Service	Total Fair Value of Services
Sebastopol Meal Program	1,024	\$31.98	\$32,744
Dream Center Program	535	\$41.96	13,507
Marin Meal Program	14	\$30.43	426
Management and General	964	\$95.37	91,939
Totals	2,537		\$138,616

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 10 – IN-KIND CONTRIBUTIONS (Continued)

The total fair value of contributed professional services included in the financial statements in the year ended December 31, 2018 is as follows:

	Number of Hours Contributed	Average Fair Value Per Hour of Service	Total Fair Value of Services
Sebastopol Meal Program	1,324	\$41.41	\$54,826
Dream Center Program	99	\$41.96	4,154
Community Outreach	7	\$26.00	182
Management and General	912	\$76.12	69,421
Totals	<u>2,342</u>		<u>\$128,583</u>

Non-Professional Donated Services:

The Organization also has many volunteers who donate their non-professional services towards programs and support. In accordance with generally accepted accounting principles, the value of these non-professional services is not reflected in these financial statements. In the year ended December 31, 2019, adult volunteers donated 19,145 hours of non-professional service and teen volunteers donated 21,086 hours. In the year ended December 31, 2018, adult volunteers donated 18,736 hours of non-professional service and teen volunteers donated 20,852 hours.

The fair value of these non-professional services has been determined by management using the U.S. Department of Labor’s Occupational Employment Statistics for the Santa Rosa and San Rafael metropolitan areas, plus benefits and taxes estimated at 18% of compensation in the years ended December 31, 2019 and 2018. The value of the teen volunteers is based on minimum wage, plus benefits and taxes estimated at 18% of compensation.

The total fair value of the non-professional volunteer services in the year ended December 31, 2019 is as follows:

	Number of Hours Contributed	Average Fair Value Per Hour of Service	Total Fair Value of Services
Adult Volunteers	19,145	\$19.55	\$374,344
Teen Volunteers	21,086	\$14.16	298,578
Totals	<u>40,231</u>		<u>\$672,922</u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 10 – IN-KIND CONTRIBUTIONS (Continued)

The total fair value of the non-professional volunteer services in the year ended December 31, 2018 is as follows:

	Number of Hours Contributed	Average Fair Value Per Hour of Service	Total Fair Value of Services
Adult Volunteers	18,736	\$19.96	\$374,004
Teen Volunteers	20,852	\$12.98	270,666
Totals	<u>39,588</u>		<u>\$644,670</u>

NOTE 11 – SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

During the year ended December 31, 2019 and 2018, the Organization paid the following in interest:

	<u>2019</u>	<u>2018</u>
Interest Paid	<u>\$23,070</u>	<u>\$23,130</u>

NOTE 12 – RISK, UNCERTAINTIES AND CONCENTRATIONS

The Organization relies on a significant amount of funding received in the form of donations and grants from individuals, business and foundations. Approximately 74% and 70% of its funding was from contributions in the years ended December 31, 2019 and 2018, respectively. Fluctuations in global financial markets may have an impact on the level of funding provided by these funding sources. See Note 13.

NOTE 13 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 24, 2020, the date the financial statements were available to be issued.

The entire outstanding balance of the line of credit was repaid on February 2, 2020.

On April 24, 2020, the organization received a waiver for the debt service coverage ratio covenant for the year ended December 31, 2019 for its note payable with an outstanding balance of \$352,566 as of December 31, 2019.

On January 21, 2020, the Center for Disease Control and Prevention confirmed the first case of 2019 Novel Coronavirus (COVID-19) in the United States. On March 13, 2020, President Donald Trump declared a national emergency due to the outbreak of COVID-19 in the United States of America. Effective March 18, 2020, the Sonoma County Health Officer issued a health order directing residents to shelter in place. The shelter in place order currently is in effect until May 3, 2020.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 13 – SUBSEQUENT EVENTS (Continued)

The organization is deemed an essential service providing medically tailored meals to medically fragile people most at risk of complications and death due to COVID-19 and who must shelter at home. The organization has one \$100,000 contract with County of Sonoma to provide medically tailored meals to clients of the In-Home Supportive Services (IHSS) program of MediCal. Foundation and individual donors have also stepped forward with additional support to insure the organization can meet community need at this time.

In order to better manage risk, ensure continuity of operations and adhere to social distancing orders, the organization has consolidated meal production in Sonoma County to the Sebastopol kitchen and limited admission to the building to paid staff. Additional paid staff have been hired and three teams of chefs and kitchen assistants are working on non-overlapping shifts. Between March 15, 2020 and April 13, 2020, the organization doubled meal production in Sonoma County, and increased meal production by 50% in Marin County to meet growing demand due to the pandemic. The long-term impact on the service delivery model or other aspects of the organization are not known at this time.

SUPPLEMENTAL INFORMATION

Carolyn A. Mayes, CPA
Auditing and Consulting Services

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors of
The Ceres Community Project
Sebastopol, California

I have audited the financial statements of The Ceres Community Project as of December 31, 2019 and 2018 and for the years then ended, and have issued my report thereon dated April 24, 2020, which contained an unmodified opinion on those financial statements. My audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Expenses - Including the Fair Value of Non-Professional Volunteer Services for the years ended December 31, 2019 and 2018 are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules include the fair value of non-professional volunteer services, which is a departure from generally accepted accounting principles. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, except for the inclusion of the fair value of non-professional volunteer services, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Carolyn A. Mayes, CPA

Santa Rosa, California
April 24, 2020

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Schedule of Expenses-Including the Fair Value of Non-Professional Volunteer Services
For the Year Ended December 31, 2019

	Program Expenses							Supporting Expenses			Total
	Meal Programs			Community Outreach	Catering	CA Medi-Cal Study	National Program	Total Programs	General & Administrative		
	Sebastopol	Marin County	Dream Center						Administrative	Fundraising	
EXPENSES											
Compensation Expenses:											
Employees	\$ 425,747	\$ 171,246	\$ 243,189	\$ 267,459	\$ 6,081	\$ 64,337	\$ 30,641	\$ 1,208,700	\$ 192,277	\$ 281,575	\$ 1,682,552
Contributed Professional Services	32,744	426	13,507	-	-	-	-	46,677	91,939	-	138,616
NonProfessional Volunteer Services:											
Adult Volunteers	173,968	56,377	85,611	4,720	-	-	-	320,676	50,104	3,564	374,344
Teen Volunteers	156,525	53,879	88,174	-	-	-	-	298,578	-	-	298,578
Total Compensation Expenses	788,984	281,928	430,481	272,179	6,081	64,337	30,641	1,874,631	334,320	285,139	2,494,090
Food	151,825	39,124	55,885	12,836	79	8,096	-	267,845	85	5,639	273,569
Rent	27,158	33,241	27,000	10,944	38	1,330	532	100,243	4,560	12,616	117,419
Professional Fees	8,015	3,173	4,523	16,608	-	15,790	751	48,860	52,506	8,209	109,575
Computer, Telephone, Internet	25,348	5,834	10,829	12,492	-	3,353	1,211	59,067	18,595	21,714	99,376
Depreciation and Amortization	62,869	2,485	5,395	9,005	100	1,818	1,413	83,085	3,567	6,941	93,593
Facilities and Equipment Expenses	25,875	3,008	25,885	2,347	606	731	-	58,452	33	222	58,707
Program Expenses	19,303	2,267	9,509	8,117	-	4,394	-	43,590	5,986	162	49,738
Marketing and Promotion	885	303	334	25,309	-	11	30	26,872	275	1,080	28,227
Interest Expense	21,012	72	96	2,541	-	31	17	23,769	1,096	261	25,126
Travel and Meetings	1,049	4,581	1,201	7,889	-	4,593	2,422	21,735	1,417	1,641	24,793
Outside Services	6,225	812	3,140	3,452	46	199	232	14,106	4,128	5,081	23,315
Insurance	891	-	228	-	-	-	-	1,119	15,509	-	16,628
Professional Development	1,506	894	1,029	3,663	-	62	21	7,175	3,256	811	11,242
Office Supplies	1,820	449	1,472	1,725	-	33	9	5,508	3,712	732	9,952
Banking and Processing Fees	-	-	-	96	-	-	-	96	-	9,692	9,788
Special Event	-	-	67	78	1,917	-	-	2,062	-	6,847	8,909
Licenses and Fees	2,600	241	329	215	-	-	-	3,385	3,334	105	6,824
Postage and Shipping	1,689	23	56	857	-	-	-	2,625	985	363	3,973
Youth Paid Work Experience	468	-	-	744	2,070	-	-	3,282	-	660	3,942
Dues and Subscriptions	120	48	72	1,853	-	1,000	-	3,093	483	-	3,576
Other Expenses			2,036	5,653				7,689	(4,498)		3,191
TOTAL EXPENSES	\$ 1,147,642	\$ 378,483	\$ 579,567	\$ 398,603	\$ 10,937	\$ 105,778	\$ 37,279	\$ 2,658,289	\$ 449,349	\$ 367,915	\$ 3,475,553

See Accompanying Independent Auditor's Report on Supplemental Information and Accompanying Note to Supplemental Information

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Schedule of Expenses - Including the Fair Value of Non-Professional Volunteer Services
For the Year Ended December 31, 2018

	Program Expenses							Supporting Expenses			
	Meal Programs			Community Outreach	Catering	CA Medi-Cal Study	National Program	Total Programs	General & Administrative	Fundraising	Total
	Sebastopol	Marin County	Dream Center								
EXPENSES											
Compensation Expenses:											
Employees	\$ 451,755	\$ 147,185	\$ 193,735	\$ 200,238	\$ 66,895	\$ 49,057	\$ 10,216	\$ 1,119,081	\$ 198,918	\$ 251,495	\$ 1,569,494
Contributed Professional Services	54,826	-	4,154	182	-	-	-	59,162	69,421	-	128,583
Non-Professional Volunteer Services:											
Adult Volunteers	171,474	68,707	68,773	18,201	-	-	-	327,155	46,324	525	374,004
Teen Volunteers	145,901	43,737	81,028	-	-	-	-	270,666	-	-	270,666
Total Compensation Expenses	823,956	259,629	347,690	218,621	66,895	49,057	10,216	1,776,064	314,663	252,020	2,342,747
Food	155,438	27,935	46,476	244	-	1,385	30	231,508	95	2,117	233,720
Professional Fees	33,358	753	8,911	10,173	152	13,773	-	67,120	22,754	19,562	109,436
Rent	27,234	18,938	26,943	10,944	1,539	-	456	86,054	4,560	12,312	102,926
Depreciation	45,605	3,812	24,972	3,444	815	420	80	79,148	2,173	2,411	83,732
Computer, Telephone, Internet	13,252	4,364	10,400	7,933	1,895	2,106	186	40,136	10,922	12,074	63,132
Facilities and Equipment Expenses	24,063	4,358	25,600	3,213	5,623	-	-	62,857	41	136	63,034
Special Event	-	282	-	-	-	-	-	282	-	42,813	43,095
Development and Travel	1,356	6,536	1,526	5,829	1,478	5,551	-	22,276	6,651	2,157	31,084
Supplies & Cookbooks	9,869	1,472	2,568	3,106	40	3,455	-	20,510	5,347	342	26,199
Outside Services	6,167	2,484	3,726	2,822	485	-	66	15,750	6,254	2,836	24,840
Interest Expense	19,891	-	-	2,210	-	-	-	22,101	1,029	-	23,130
Marketing and Promotion	845	309	649	12,001	500	88	-	14,392	271	5,949	20,612
Banking and Processing Fees	-	-	779	-	-	-	-	779	3,446	12,750	16,975
Catering Expenses	287	18	326	-	15,393	-	-	16,024	-	-	16,024
Insurance	1,536	610	1,358	611	334	442	41	4,932	9,878	713	15,523
Dues and Subscriptions	393	332	60	1,338	60	2,000	399	4,582	4,830	3,851	13,263
Garden Expenses	3,929	-	6,025	-	-	-	-	9,954	-	-	9,954
Youth Paid Work Experience	60	-	-	-	7,996	-	-	8,056	-	-	8,056
Postage and Shipping	547	55	75	1,755	-	10	11	2,453	1,737	86	4,276
Licenses and Fees	1,082	-	1,106	-	227	-	-	2,415	1,751	25	4,191
Other Expenses	772	-	-	173	-	-	-	945	139	-	1,084
TOTAL EXPENSES	\$1,169,640	\$ 331,887	\$ 509,190	\$ 284,417	\$ 103,432	\$ 78,287	\$ 11,485	\$ 2,488,338	\$ 396,541	\$ 372,154	\$ 3,257,033

See Accompanying Independent Auditor's Report on Supplemental Information and Accompanying Note to Supplemental Information

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Note to Supplemental Information
December 31, 2019 and 2018

NOTE A – FAIR VALUE OF NON-PROFESSIONAL VOLUNTEER SERVICES

Non-professional volunteer hours totaled 19,145 for adults and 21,086 for teenagers in the year ended December 31, 2019 and totaled 18,736 for adults and 20,852 for teenagers in the year ended December 31, 2018. In accordance with generally accepted accounting principles, these services were not recognized in the Statement of Activities because such services do not involve specialized skills. However, these services are an integral part of the preparation, cooking, gardening, delivery of meals and education for the meal programs, as well as community outreach, administration and fundraising.

The average value of volunteer services, including related payroll taxes and benefits of approximately 18%, was \$19.55 per hour and \$19.96 per hour for adults and \$14.16 per hour and \$12.98 per hour for teenagers in the years ended December 31, 2019 and 2018, respectively. The fair value of the adult services has been determined by management using the U.S. Department of Labor’s Occupational Employment Statistics for Santa Rosa and San Rafael, California. The organization estimates the total value of the following non-professional volunteer services as \$672,922 and \$644,670 in the years ended December 31, 2019 and 2018, respectively, and has included them in the supplemental Schedule of Expenses – Including the Fair Value of Non-Professional Volunteer Services for the Years Ended December 31, 2019 and 2018 as follows:

	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	Hours	Fair Value	Hours	Fair Value
Sebastopol Meal Program:				
Adults	9,410	\$173,968	9,085	\$171,474
Teenagers	11,054	156,525	11,240	145,901
Marin County Meal Program:				
Adults	2,984	56,377	3,252	68,707
Teenagers	3,805	53,879	3,370	43,737
Santa Rosa Meal Program:				
Adults	4,449	85,611	3,647	68,773
Teenagers	6,227	88,174	6,242	81,028
Community Outreach:				
Adults	153	4,720	1,004	18,201
Administration:				
Adults	2,010	50,104	1,727	46,324
Fundraising:				
Adults	139	3,564	21	525
Total Fair Value of Non- Professional Volunteer Services	<u>40,231</u>	<u>\$672,922</u>	<u>39,588</u>	<u>\$644,670</u>

See Independent Auditor’s Report on Supplemental Information