

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS
and Supplemental Information

December 31, 2020 and 2019

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Carolyn A. Mayes, CPA
Auditing and Consulting Services

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020 and 2019, 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, 2020 and 2019 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 27, 2021

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THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Statements of Financial Position
December 31, 2020 and 2019

	December 31,	
	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 1,674,476	\$ 332,794
Accounts Receivable	115,793	170,946
Inventory	58,660	2,762
Prepaid Expenses and Deposits	37,174	87,750
TOTAL CURRENT ASSETS	1,886,103	594,252
Prepaid Copier Expenses	7,093	13,640
Capitalized Technology Costs	122,470	137,113
Property and Equipment, net	1,096,628	1,060,509
TOTAL ASSETS	\$ 3,112,294	\$ 1,805,514
LIABILITIES AND NET ASSETS		
Accounts Payable	40,665	22,782
Accrued Salaries and Wages	43,481	63,961
Accrued Paid Time Off	60,977	55,984
Other Current Liabilities	39,344	11,138
Deferred Grant Revenues	10,000	70,000
Bank Line of Credit	-	75,000
Current Portion of Long-term Debt	21,000	20,000
TOTAL CURRENT LIABILITIES	215,467	318,865
Long-term Debt	330,585	351,249
TOTAL LIABILITIES	546,052	670,114
NET ASSETS		
Without Donor Restrictions	2,424,089	1,062,095
With Donor Restrictions	142,153	73,305
TOTAL NET ASSETS	2,566,242	1,135,400
TOTAL LIABILITIES AND NET ASSETS	\$ 3,112,294	\$ 1,805,514

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:			
Contributions:			
Individuals	\$ 1,910,296	\$ -	\$ 1,910,296
Foundations	701,006	171,000	872,006
Businesses and Organizations	371,232	-	371,232
In-Kind Contributions	187,252	-	187,252
Special Events	245,019	-	245,019
Government Grant Income	954,016	-	954,016
Contract Revenues	515,156	-	515,156
Sales of Food Products	151,606	-	151,606
Affiliate Licensing and Training Fees	31,584	-	31,584
Community Outreach Revenues	23,909	-	23,909
Rental Income	6,000	-	6,000
Other Income	1,917	-	1,917
Net Assets Released From Restrictions:			
Satisfaction of Time Restrictions	2,000	(2,000)	-
Satisfaction of Purpose Restrictions	100,152	(100,152)	-
TOTAL REVENUES AND SUPPORT	<u>5,201,145</u>	<u>68,848</u>	<u>5,269,993</u>
EXPENSES:			
Program Services:			
Meal Program-Sebastopol	1,596,909	-	1,596,909
Meal Program-Marin County	437,460	-	437,460
Meal Program-Dream Center	461,811	-	461,811
Community Outreach and Education	337,130	-	337,130
California Medi-Cal Study	45,517	-	45,517
National Program	104,870	-	104,870
Total Program Services	<u>2,983,697</u>	<u>-</u>	<u>2,983,697</u>
Supporting Services:			
General & Administrative	464,882	-	464,882
Fundraising	390,572	-	390,572
Total Supporting Services	<u>855,454</u>	<u>-</u>	<u>855,454</u>
TOTAL EXPENSES	<u>3,839,151</u>	<u>-</u>	<u>3,839,151</u>
CHANGE IN NET ASSETS	1,361,994	68,848	1,430,842
NET ASSETS, BEGINNING	<u>1,062,095</u>	<u>73,305</u>	<u>1,135,400</u>
NET ASSETS, END OF YEAR	<u>\$ 2,424,089</u>	<u>\$ 142,153</u>	<u>\$ 2,566,242</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, 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	2,716,521	(28)	2,716,493
 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	2,039,035	-	2,039,035
Supporting Services:			
General & Administrative	399,245	-	399,245
Fundraising	364,351	-	364,351
Total Supporting Services	763,596	-	763,596
TOTAL EXPENSES	2,802,631	-	2,802,631
CHANGE IN NET ASSETS	(86,110)	(28)	(86,138)
NET ASSETS, BEGINNING	1,148,205	73,333	1,221,538
NET ASSETS, END OF YEAR	\$ 1,062,095	\$ 73,305	\$ 1,135,400

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, 2020

	Program Expenses						Supporting Expenses				
	Meal Programs			Community Outreach	CA Medi-Cal Study	National Program	Total Programs	General & Administrative		Fundraising	Total
	Sebastopol	Marin County	Santa Rosa								
EXPENSES											
Compensation Expenses:											
Salaries and Wages	\$ 693,253	\$ 193,416	\$ 225,245	\$ 224,353	\$ 23,182	\$ 35,404	\$ 1,394,853	\$ 303,206	\$ 282,102	\$ 1,980,161	
Payroll Tax Expenses	56,662	15,090	18,097	16,982	1,612	2,217	110,660	27,386	23,384	161,430	
Employee Benefits	48,973	18,023	28,426	22,825	6,347	4,008	128,602	23,263	14,927	166,792	
Total Compensation Expenses	798,888	226,529	271,768	264,160	31,141	41,629	1,634,115	353,855	320,413	2,308,383	
Food	510,411	123,846	76,291	394	408	-	711,350	-	99	711,449	
Technology and Telephone	29,446	12,635	13,962	15,881	4,424	1,775	78,123	35,600	20,620	134,343	
Rent	26,470	40,965	35,692	9,984	1,514	416	115,041	4,160	11,232	130,433	
Professional Fees	3,424	1,328	1,399	3,425	5,399	60,000	74,975	23,477	16,297	114,749	
Kitchen Supplies and Packaging	68,975	15,132	14,801	-	-	-	98,908	352	322	99,582	
Depreciation and Amortization	53,176	5,327	24,163	3,814	1,381	289	88,150	895	3,352	92,397	
Facilities and Equipment Expenses	42,461	3,827	13,806	3,055	-	-	63,149	2,700	-	65,849	
Outside Services	21,145	1,036	3,596	2,169	325	325	28,596	1,789	2,318	32,703	
Marketing and Promotion	811	11	15	24,579	4	4	25,424	13	4,767	30,204	
Banking and Processing Fees	3,041	-	628	519	-	25	4,213	14,155	7,493	25,861	
Insurance	514	175	194	122	682	11	1,698	21,669	163	23,530	
Interest Expense	17,128	135	187	2,163	45	45	19,703	325	299	20,327	
Program Expenses	10,150	1,294	3,322	2,849	-	-	17,615	-	14	17,629	
Office Supplies	3,374	784	813	1,073	9	9	6,062	3,610	816	10,488	
Travel and Meetings	1,452	3,811	965	654	185	342	7,409	329	19	7,757	
Postage and Shipping	2,921	191	209	523	-	-	3,844	606	1,505	5,955	
Dues and Subscriptions	166	434	-	1,705	-	-	2,305	1,322	543	4,170	
Licenses and Fees	2,956	-	-	61	-	-	3,017	25	300	3,342	
TOTAL EXPENSES	\$ 1,596,909	\$ 437,460	\$ 461,811	\$ 337,130	\$ 45,517	\$104,870	\$ 2,983,697	\$ 464,882	\$ 390,572	\$ 3,839,151	

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 & Fundraising		Total
	Sebastopol	Marin County	Santa Rosa						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)
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,430,842	\$ (86,138)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation of property and equipment	92,397	81,908
Amortization of capitalized technology costs	14,643	11,117
Donated equipment	(39,000)	-
Loss on disposal of assets	-	3,404
(Increase) Decrease in current assets:		
Accounts receivable	55,153	(78,721)
Inventory	(55,898)	7,686
Prepaid expenses and deposits	57,123	(120,719)
Increase (Decrease) in current liabilities:		
Accounts payable	17,883	(48,785)
Accrued salaries and wages	(20,480)	10,047
Accrued paid time off	4,993	21,387
Deferred grant revenues	(60,000)	70,000
Other current liabilities	28,206	(7,435)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,525,862	(136,249)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of kitchen and office equipment	(89,516)	(34,888)
Purchases of building improvements	-	(1,990)
NET CASH USED IN INVESTING ACTIVITIES	(89,516)	(36,878)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	100,000	125,000
Repayments to line of credit	(175,000)	(50,000)
Repayments of long-term debt	(19,664)	(18,673)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(94,664)	56,327
CHANGE IN CASH AND CASH EQUIVALENTS	1,341,682	(116,800)
CASH AND CASH EQUIVALENTS, Beginning of Year	332,794	449,594
CASH AND CASH EQUIVALENTS, End of Year	\$ 1,674,476	\$ 332,794

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, 2020 and 2019

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 to create health for people, communities and the planet through love, healing food and empowering the next generation. Our approach includes: (1) supporting individuals dealing with serious illness with free and low-cost, delivered and nutrient-rich prepared meals, nutrition education, and a community of caring, (2) involving young people as volunteer gardeners and chefs, giving them direct, hands-on experience of the difference that fresh healthy foods and community make, and of their own capacity to contribute, (3) educating the broader community, including health professionals, about the connection between fresh, healthy food, strong social networks, healing and wellness, and (4) connecting people of all ages and from all walks of life to one another, and to their value as an integral part of the community.

The organization delivers meals from their commercial kitchen locations to client families struggling with life-threatening or chronic 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.

Organizational Changes in Response to COVID-19 Pandemic – In March 2020, the organization was 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 contracted with County of Sonoma to provide medically tailored meals to clients of the In-Home Supportive Services (IHSS) program of MediCal. IHSS clients received up to 21 meals per week. A second contract with the County was established in May for \$200,000 which included \$25,000 specifically for IHSS patients with the remaining to serve community members needing medically tailored meals as a result of the COVID-19 pandemic. This second contract was amended several times to a total of \$450,000 all of which was fully executed during the year.

In March 2020, the organization also entered into an agreement with Kaiser Foundation Health Plan, Inc. (Kaiser) as part of a study to provide medically tailored meals and nutrition counseling to its referred patients discharged from its medical center in Santa Rosa, California, who have one or more specified medical conditions. This contract was later extended to include Kaiser’s medical center in Novato, California.

In order to better manage risk, ensure continuity of operations and adhere to social distancing orders, in April 2020 the organization consolidated meal production in Sonoma County to the Sebastopol kitchen and limited admission to the building to paid staff. Additional paid staff were hired and three teams of chefs and kitchen assistants worked on non-overlapping shifts. 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 CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

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

In August 2020 the kitchen in Santa Rosa was reopened and volunteers were added back to the meal production with new socially distancing procedures.

The Organization provided approximately 184,000 meals in the year ended December 31, 2020, which was more than double the 78,000 meals provided in the year ended December 31, 2019.

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 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.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

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

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 during the year ended December 31, 2019.

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.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

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

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.

Net Assets – The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building improvements or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

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. All expenses and net losses are reported as decreases in net assets without donor restrictions.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

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

Cash and Cash Equivalents – Cash primarily consists of deposits held on demand at a bank and undeposited funds. Cash equivalents include short term, interest bearing, highly liquid investments with original maturities of three months or less. The organization also considers all highly liquid deposits held at financial processing companies to be cash equivalents.

Accounts Receivable – Accounts receivable are primarily unsecured non-interest bearing amounts due from grantors on cost reimbursement or performance grants and from unconditional promises to give that are expected to be received in less than one year. Management believes that all outstanding amounts receivable are fully collectible, and therefore, no allowance for uncollectible receivables has been provided.

Inventory – Inventory includes prepared meals, food and cookbooks. Inventory is stated at cost using the first-in, first out method.

Capitalized Technology Costs – Prepaid 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 and Improvements	5 - 40
Kitchen and Office Equipment	5 - 12
Computer Software	5
Catering Van	5

Revenue Recognition for Exchange Transactions – Contract and grants for the performance of services or the delivery of products are considered exchange transactions. Revenues from exchange transactions are recognized when products are delivered, services are performed or qualifying costs are incurred for cost-reimbursement contracts. Amounts received in advance are recorded as deferred revenue.

Revenue Recognition for Contributions – Contributions, including unconditional promises to give, are recognized when received. Unconditional 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. Amounts received that are restricted by the donor to use in future periods and other purpose restricted support is reported as an increase in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is received, unless the contribution is clearly intended to support activities of the current year.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

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

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. Conditional promises, such as matching grants, are not recognized until they become unconditional.

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 budgeted employee hours. Computer, telephone, internet, insurance and certain facility expenses are allocated based on square footage.

General and administrative expense include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Additionally, advertising costs are expensed as incurred.

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, though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the Internal Revenue 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, and contributions to the organization are tax deductible to donors under Section 170. The organization is not classified as a private foundation.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31, 2020 and 2019:

	2020	2019
Bank Checking Account	\$830,798	\$319,890
Financial Services Account	500,465	-
Undeposited Funds	303,957	-
Merchant Accounts	38,756	12,404
Petty Cash	500	500
Totals	\$1,674,476	\$332,794

Cash and cash equivalents held at Exchange Bank frequently exceeded the federally insured limit of \$250,000 in the years ended December 31, 2020 and 2019. The Organization began the transition to other interest bearing accounts under the \$250,000 FDIC limit in 2020, by transferring \$500,000 of the cash balance to American Depositary Management (ADM). ADM supports non-profit organizations and spreads the cash balances for FDIC insurance purposes to the high interest-bearing accounts. The Organization believes the overall exposure to be nominal.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The following reflects the Organization’s financial assets as of December 31, 2020 and 2019, 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, 2020:	
Cash and cash equivalents	\$1,674,476
Accounts receivable	115,793
Total Financial Assets at December 31, 2020	1,790,269
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Deferred grant revenues	(10,000)
Restricted by donor	(142,153)
Financial assets available to meet cash needs from general expenditures within one year	\$1,638,116

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 3 – LIQUIDITY AND AVAILABILITY (continued)

Financial Assets at December 31, 2019:	
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)
	(143,350)
Financial assets available to meet cash needs from general expenditures within one year	\$360,389

The Ceres Community Project had financial assets of \$1,638,116 and \$360,389 to meet cash needs for general expenditures as of December 31, 2020 and 2019, respectively, representing approximately 5-6 months of operating expenses at December 31, 2020 and approximately 1-2 months of operating expenses at December 31, 2019. Ceres Community Project is substantially supported by contributions, government grants 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.

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 \$200,000 and \$125,000 was available at December 31, 2020 and 2019, respectively. (as further discussed in Note 7).

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 4 – CAPITALIZED TECHNOLOGY COSTS

Capitalized technology costs consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Total Capitalized Technology Costs	\$148,230	\$148,230
Less Accumulated Amortization	<u>(25,580)</u>	<u>(11,117)</u>
Capitalized Technology Costs, net	<u>\$122,470</u>	<u>\$137,113</u>

Amortization of capitalized technology cost totaling \$14,463 and \$11,117 has been included in technology expenses in the years ended December 31, 2020 and 2019, respectively.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$265,400	\$265,400
Building and Improvements	759,384	740,132
Kitchen and Office Equipment	466,719	357,455
Computer Software	43,500	77,940
Catering Van	<u>17,500</u>	<u>17,500</u>
Total Property and Equipment	1,552,503	1,458,427
Less Accumulated Depreciation	<u>(455,875)</u>	<u>(397,918)</u>
Property and Equipment, net	<u>\$1,096,628</u>	<u>\$1,060,509</u>

Depreciation expense from property and equipment totaled \$92,397 and \$81,908 in the years ended December 31, 2020 and 2019, respectively.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 6 – LAND AND BUILDING LEASES

The Organization was a lessee in the following leases during the years ended December 31, 2020 and 2019.

Sebastopol, California

The organization subleases office space in Sebastopol, California under a license agreement on a month-to-month basis at \$3,000 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, 2020 and 2019.

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. The Organization is required to reimburse the landlord for utilities. As of December 31, 2020, the Organization has purchased commercial kitchen equipment at this location at a total cost of \$114,134. 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, 2020 and 2019.

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, 2021. Monthly rent and services totaled \$3,114 per month from August 1, 2019 through July 31, 2020. The monthly rent and services increased to \$3,334 per month effective August 1, 2020.

Rental expenses, including donated facilities, totaled \$130,433 and \$117,419 in the years ended December 31, 2020 and 2019, respectively. The fair value of donated facilities included in rental expenses totaled \$41,124 per year in each of the years ended December 31, 2020 and 2019.

As of December 31, 2020, future minimum lease payments total \$23,338 for the year ending December 31, 2021.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

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. The outstanding balance totaled \$0 and \$75,000 at December 31, 2020 and 2019, 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, 2021.

The Organization has an unsecured credit card with a bank with a limit of \$45,000. The outstanding balance totaled \$13,392 and \$15,268 and at December 31, 2020 and 2019, respectively, and was included in Accounts Payable in the Statement of Financial Position.

NOTE 8 – SBA PAYCHECK PROTECTION PROGRAM LOAN

On April 30, 2020, the Organization received loan proceeds of \$328,145 under the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP) which was established under the CARES Act. The PPP funding is legally structured as a forgivable loan by the SBA. In order to achieve forgiveness of the loan, the Organization must spend the funding for specific purposes and also must generally maintain its full-time equivalent level of staffing over a defined time period.

The Organization elected to account for the funding as a conditional contribution by applying ASC Topic 958-605, Revenue Recognition, and recognizing revenue when conditions are met. The Organization met the forgiveness requirements during the year ended December 31, 2020 and recorded the \$328,145 as government grant income. A formal forgiveness payment from the SBA was received by the lending bank on November 20, 2020.

NOTE 9 – RETIREMENT PLAN

Effective January 1, 2020, the Organization sponsored a 401(k) retirement plan (the Plan) for its employees. Substantially all employees are eligible to participate in the plan upon date of hire. The Plan allows for discretionary employer match and profit sharing contributions. No employer contributions were made to the plan during the fiscal year ended December 31, 2020.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 10 – LONG TERM DEBT

Long term debt consisted of the following at December 31, 2020 and 2019:

	2020	2019
<p>Note payable to finance company, monthly payments of principal and interest totaling \$2,417 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, 2020 and 2019 was 5.25% and 6.0%, 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>	\$ 341,723	\$ 352,566
<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>	9,862	18,683
<p>Total Long Term Debt</p>	351,585	371,249
<p>Less Current Portion</p>	(21,000)	(20,000)
<p>Non-current Portion</p>	\$330,585	\$351,249

The note payable to finance company is subject to certain financial covenants. The Organization was in compliance with these financial covenants at December 31, 2020. Future scheduled maturities of the long term debt are as follows as of December 31, 2020:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	21,000
2022	330,585
	\$351,585

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Subject to the passage of time:		
Available for 2021 expenses	<u>\$51,000</u>	<u>\$ -</u>
Subject to expenditure for specified purpose:		
Modular Workstations	-	10,049
Marin Meal Program	-	20,000
Specific Client Meals	27,300	35,256
Dream Center Program Expansion	-	8,000
Youth Program	35,853	
Generator for Sebastopol Kitchen	<u>28,000</u>	<u>-</u>
	<u>91,153</u>	<u>73,305</u>
 Total Net Assets with Donor Restrictions	 <u>\$142,153</u>	 <u>\$73,305</u>

NOTE 12 – IN-KIND CONTRIBUTIONS

In the years ended December 31, 2020 and 2019, the Organization received in-kind donations of equipment, 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 in the year ended December 31, 2019. No auctions were held in the year ended December 31, 2020. 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:

	<u>2020</u>	<u>2019</u>
In-Kind Contribution of Equipment	<u>\$ 39,000</u>	<u>\$ -</u>
In-Kind Contribution Expenses:		
Food	92,382	69,000
Garden	3,984	-
Use of Land for Garden	18,000	18,000
Use of Santa Rosa Kitchen at Dream Center	23,124	23,124
Professional Services	<u>10,762</u>	<u>138,616</u>
Total In-Kind Contribution Expenses	<u>148,252</u>	<u>248,740</u>
 Total In-Kind Contribution Revenues	 <u>\$187,252</u>	 <u>\$248,740</u>
In-Kind Contributions of Auction Items included in Special Event Income and Expenses	<u>\$ -</u>	<u>\$55,359</u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 12 – IN-KIND CONTRIBUTIONS (continued)

Contributed Professional Services:

Contributed professional services included in the financial statements in the year ended December 31, 2020 includes donated vendor technology services totaling \$10,762.

In the year ended December 31, 2019, contributed professional services primarily include donated skilled services from chefs, landscapers, and licensed social workers. 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	<u>2,537</u>		<u>\$138,616</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, 2020, adult volunteers donated 19,711 hours of non-professional service and teen volunteers donated 12,262 hours. In the year ended December 31, 2019, adult volunteers donated 19,145 hours of non-professional service and teen volunteers donated 21,086 hours. The Organization’ use of volunteer was minimal in the Sebastopol and Santa Rosa kitchens for approximately five months from late-March to late-August 2020 due to social distancing restrictions and kitchen reorganizations as a result of Covid-19 risks.

The fair value of the non-professional services adult hours has been determined by management using the greater of the U.S. Department of Labor’s Occupational Employment Statistics for the Santa Rosa and San Rafael metropolitan areas or the minimum wage, plus benefits and taxes estimated at 18% of compensation in the years ended December 31, 2020 and 2019. The value of the teen volunteers is based on minimum wage, plus taxes estimated at 8% of compensation.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 12 – IN-KIND CONTRIBUTIONS (Continued)

The total fair value of the non-professional volunteer services in the year ended December 31, 2020 is as follows:

	Number of Hours Contributed	Average Fair Value Per Hour of Service	Total Fair Value of Services
Adult Volunteers	19,711	\$19.97	\$393,548
Teen Volunteers	12,262	\$16.20	198,644
Totals	<u>31,973</u>		<u>\$592,192</u>

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>

NOTE 13 – RISK, UNCERTAINTIES AND CONCENTRATIONS

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, the President of the United States declared a national emergency due to the outbreak of COVID-19 in the United States of America. The financial impact of the coronavirus outbreak and current changes in the global financial markets cannot be measured.

The Organization relies on a significant amount of funding received in the form of donations and grants from individuals, business and foundations. Approximately 68% and 74% of its funding was from contributions in the years ended December 31, 2020 and 2019, respectively. In the year ended December 31, 2020, approximately 27% of the Organizations revenues were also received from government grants and contracts for program fees. Government grant revenues are subject to audit from government agencies. However, management believes audit would not have an effect on the financial statements.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 14 – SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

During the years ended December 31, 2020 and 2019, the Organization paid the following in interest:

	<u>2020</u>	<u>2019</u>
Interest Paid	<u>\$20,327</u>	<u>\$23,070</u>

NOTE 15 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events for recognition and disclosure through April 27, 2021, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2020 that require disclosure in the financial statements.

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, 2020 and 2019 and for the years then ended, and have issued my report thereon dated April 27, 2021, 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, 2020 and 2019 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 27, 2021

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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, 2020

	Program Expenses						Supporting Expenses			Total
	Meal Programs			Community Outreach	CA Medi-Cal Study	National Program	Total Programs	Administrative	Fundraising	
	Sebastopol	Marin County	Santa Rosa							
EXPENSES										
Compensation Expenses:										
Employees	\$ 798,888	\$ 226,529	\$ 271,768	\$ 264,160	\$ 31,141	\$ 41,629	\$ 1,634,115	\$ 353,855	\$ 320,413	\$ 2,308,383
Non-Professional Volunteer Services:										
Adult Volunteers	203,338	64,417	110,777	-	-	-	378,532	15,016	-	393,548
Teen Volunteers	79,396	59,389	59,859	-	-	-	198,644	-	-	198,644
Total Compensation Expenses	1,081,622	350,335	442,404	264,160	31,141	41,629	2,211,291	368,871	320,413	2,900,575
Food	510,411	123,846	76,291	394	408	-	711,350	-	99	711,449
Technology and Telephone	29,446	12,635	13,962	15,881	4,424	1,775	78,123	35,600	20,620	134,343
Rent	26,470	40,965	35,692	9,984	1,514	416	115,041	4,160	11,232	130,433
Professional Fees	3,424	1,328	1,399	3,425	5,399	60,000	74,975	23,477	16,297	114,749
Kitchen Supplies and Packaging	68,975	15,132	14,801	-	-	-	98,908	352	322	99,582
Depreciation	53,176	5,327	24,163	3,814	1,381	289	88,150	895	3,352	92,397
Facilities and Equipment Expenses	42,461	3,827	13,806	3,055	-	-	63,149	2,700	-	65,849
Outside Services	21,145	1,036	3,596	2,169	325	325	28,596	1,789	2,318	32,703
Marketing and Promotion	811	11	15	24,579	4	4	25,424	13	4,767	30,204
Banking and Processing Fees	3,041	-	628	519	-	25	4,213	14,155	7,493	25,861
Insurance	514	175	194	122	682	11	1,698	21,669	163	23,530
Interest Expense	17,128	135	187	2,163	45	45	19,703	325	299	20,327
Program Expenses	10,150	1,294	3,322	2,849	-	-	17,615	-	14	17,629
Office Supplies	3,374	784	813	1,073	9	9	6,062	3,610	816	10,488
Travel and Meetings	1,452	3,811	965	654	185	342	7,409	329	19	7,757
Postage and Shipping	2,921	191	209	523	-	-	3,844	606	1,505	5,955
Dues and Subscriptions	166	434	-	1,705	-	-	2,305	1,322	543	4,170
Licenses and Fees	2,956	-	-	61	-	-	3,017	25	300	3,342
TOTAL EXPENSES	\$ 1,879,643	\$ 561,266	\$ 632,447	\$ 337,130	\$ 45,517	\$ 104,870	\$ 3,560,873	\$ 479,898	\$ 390,572	\$ 4,431,343

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, 2019

	Program Expenses							Supporting Expenses			Total
	Meal Programs			Community Outreach	Catering	CA Medi-Cal Study	National Program	Total Programs	General &		
	Sebastopol	Marin County	Santa Rosa						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
Non-Professional 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)
Note to Supplemental Information
December 31, 2020 and 2019

NOTE A – FAIR VALUE OF NON-PROFESSIONAL VOLUNTEER SERVICES

Non-professional volunteer hours totaled 19,711 for adults and 12,262 for teenagers in the year ended December 31, 2020 and totaled 19,145 for adults and 21,086 for teenagers in the year ended December 31, 2019. 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, was \$19.97 per hour and \$19.55 per hour for adults and \$16.20 per hour and \$14.16 per hour for teenagers in the years ended December 31, 2020 and 2019, respectively. The fair value of the adult services has been determined by management using the greater of U.S. Department of Labor’s Occupational Employment Statistics for Santa Rosa and San Rafael, California, and the minimum wage. The organization estimates the total value of the following non-professional volunteer services as \$592,192 and \$672,922 in the years ended December 31, 2020 and 2019, 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, 2020 and 2019 as follows:

	<u>2020</u> <u>Hours</u>	<u>2020</u> <u>Fair Value</u>	<u>2019</u> <u>Hours</u>	<u>2019</u> <u>Fair Value</u>
Sebastopol Meal Program:				
Adults	10,254	\$203,338	9,410	\$173,968
Teenagers	4,901	79,396	11,054	156,525
Marin County Meal Program:				
Adults	3,233	64,417	2,984	56,377
Teenagers	3,666	59,389	3,805	53,879
Santa Rosa Meal Program:				
Adults	5,486	110,777	4,449	85,611
Teenagers	3,695	59,859	6,227	88,174
Community Outreach:				
Adults	-	-	153	4,720
Administration:				
Adults	738	15,016	2,010	50,104
Fundraising:				
Adults	-	-	139	3,564
Total Fair Value of Non- Professional Volunteer Services	<u>31,973</u>	<u>\$592,192</u>	<u>40,231</u>	<u>\$672,922</u>

See Independent Auditor’s Report on Supplemental Information