

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS
and Supplemental Information

December 31, 2012 and 2011

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position, December 31, 2012 and 2011	3
Statements of Activities for the Years Ended December 31, 2012 and 2011	4
Statements of Cash Flows for the Years Ended December 31, 2012 and 2011	5
Statement of Functional Expenses for the Year Ended December 31, 2012	6
Statement of Functional Expenses for the Year Ended December 31, 2011	7
Notes to Financial Statements	8 – 14
SUPPLEMENTAL INFORMATION	
Schedule of Expenses – Including the Fair Value of Volunteer Services	15
Notes to Supplemental Information	16

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 statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. I conducted my audit 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, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Carolyn A. Mayes, CPA
Auditing and Consulting Services

Other Matters

The 2011 financial statements were reviewed by me, and my report thereon, dated May 2, 2012, stated I was not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses - Including the Fair Value of Volunteer Services for the year ended December 31, 2012 is presented for purposes of additional analysis and is not a required part of the financial statements. 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Carolyn A Mayes, CPA

Sebastopol, California
April 8, 2013

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Statements of Financial Position
December 31, 2012 and 2011

	December 31,	
	2012	2011
	<u>Audited</u>	<u>Reviewed</u>
ASSETS		
Cash	\$ 178,204	\$ 250,070
Accounts Receivable	24,215	2,729
Inventory	17,801	9,294
Prepaid Expenses and Other Current Assets	4,419	108
TOTAL CURRENT ASSETS	<u>224,639</u>	<u>262,201</u>
Property and Equipment, net	<u>1,030,834</u>	<u>732,024</u>
TOTAL ASSETS	<u><u>\$ 1,255,473</u></u>	<u><u>\$ 994,225</u></u>
LIABILITIES AND NET ASSETS		
Accounts Payable	862	25,297
Credit Card Liabilities	1,677	-
Payroll Tax Liabilities	3,170	4,977
Accrued Paid Time Off	9,435	10,305
Other Current Liabilities	861	556
Current Portion of Note Payable	7,400	100,000
TOTAL CURRENT LIABILITIES	<u>23,405</u>	<u>141,135</u>
NOTE PAYABLE	<u>330,992</u>	<u>-</u>
TOTAL LIABILITIES	<u>354,397</u>	<u>141,135</u>
NET ASSETS		
Unrestricted	852,861	810,854
Temporarily restricted	<u>48,215</u>	<u>42,236</u>
TOTAL NET ASSETS	<u>901,076</u>	<u>853,090</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,255,473</u></u>	<u><u>\$ 994,225</u></u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Statements of Activities
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
	<u>Audited</u>	<u>Reviewed</u>
UNRESTRICTED REVENUES		
General Donations	\$ 297,828	\$ 446,896
Building Renovation Contributions	-	290,094
Foundation Grants	86,500	
CDFR Government Grant	103,212	
Outreach Services	63,903	8,950
Educational Sales	34,859	43,543
Special Events and Other Revenues	146,821	29,435
Net Assets Released From Restrictions:	<u>77,444</u>	<u>413,532</u>
TOTAL UNRESTRICTED REVENUES	<u>810,567</u>	<u>1,232,450</u>
EXPENSES		
Program Services:		
Meal Program-Sonoma County	284,488	195,582
Meal Program-Marin County	34,408	22,368
Educational Outreach	157,355	154,802
Meal Services	27,043	-
Garden Program	<u>34,055</u>	<u>-</u>
Total Program Services	<u>537,349</u>	<u>372,752</u>
Supporting Services:		
General & Administrative	88,345	61,242
Fundraising	<u>142,866</u>	<u>84,461</u>
Total Supporting Services	<u>231,211</u>	<u>145,703</u>
TOTAL EXPENSES	<u>768,560</u>	<u>518,455</u>
CHANGE IN UNRESTRICTED NET ASSETS	42,007	713,995
TEMPORARILY RESTRICTED NET ASSETS:		
Building Renovation Contributions	-	334,155
Marin Project Donations	59,594	24,158
Ceres Community Garden Contributions	29,050	15,000
Cancer Journey Contributions	4,779	12,000
Other Contributions	(10,000)	20,000
Net Assets Released From Restrictions:	<u>(77,444)</u>	<u>(413,532)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>5,979</u>	<u>(8,219)</u>
CHANGE IN NET ASSETS	47,986	705,776
NET ASSETS, BEGINNING	<u>853,090</u>	<u>147,314</u>
NET ASSETS, END OF YEAR	<u>\$ 901,076</u>	<u>\$ 853,090</u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Statements of Cash Flows
For the Years Ended December 31, 2012 and 2011

	<u>2012</u> <u>Audited</u>	<u>2011</u> <u>Reviewed</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 47,986	\$ 705,776
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	25,220	4,611
In-Kind Building Donations	-	(290,094)
(Increase) Decrease in current assets:		
Accounts receivable	(21,486)	(2,008)
Inventory	(8,507)	(9,294)
Prepaid expenses and other assets	(4,311)	(108)
Increase (Decrease) in current liabilities:		
Accounts payable	(24,435)	25,297
Accrued paid time off	(870)	10,305
Payroll tax liabilities	(1,807)	2,040
Other current liabilities	1,982	(163)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>13,772</u>	<u>446,362</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of building improvements	(30,365)	(442,601)
Purchase of equipment and software	(28,265)	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(58,630)</u>	<u>(442,601)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	75,164	100,000
Repayments of note payable	(102,172)	-
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(27,008)</u>	<u>100,000</u>
CHANGE IN CASH	(71,866)	103,761
CASH, Beginning of Year	<u>250,070</u>	<u>146,309</u>
CASH, End of Year	<u>\$ 178,204</u>	<u>\$ 250,070</u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Statement of Functional Expenses - Audited
For the Year Ended December 31, 2012

	Program Expenses					Supporting Expenses			
	Meal Programs		Educational	Meal	Total	General &		Total	
	Sonoma Co.	Marin Co.	Outreach	Services		Garden	Administrative		Fundraising
EXPENSES									
Compensation Expenses:									
Salaries and Wages	\$ 153,735		\$ 84,192		\$17,776	\$ 255,703	\$ 43,182	\$ 82,797	\$381,682
Payroll Tax Expenses	14,829		7,837		1,724	24,390	3,838	7,884	36,112
Employee Benefits	5,077		2,480			7,557	1,582	2,716	11,855
Total Compensation Expenses	173,641	-	94,509	-	19,500	287,650	48,602	93,397	429,649
Food, Containers, Cookbooks	82,204	8,445	11,753	1,396	71	103,866	85	2,906	106,857
Professional Fees		11,832	11,235			23,067	5,200	6,000	34,267
Depreciation	17,959		4,771			22,730	1,245	1,245	25,220
Advertising and Promotion	1,207	915	13,640		28	15,790	210	8,993	24,993
Supplies	6,637	2,365	4,301	14	36	13,353	8,146	3,047	24,546
Repairs and Maintenance	6,393		3,485		733	10,611	5,406	3,389	19,406
Utilities, Telephone, Janitorial	8,151		3,796			11,947	2,381	1,881	16,209
Outside Services	8,511			1,516		10,027	2,127	3,247	15,401
Special Event			4,185			4,185		10,172	14,357
Garden Expenses					13,687	13,687			13,687
Rent		10,375				10,375			10,375
Bank and Processing Fees		6	524			530	3,412	5,019	8,961
Interest Expense						-	6,591		6,591
Insurance	1,411		641			2,052	3,791	256	6,099
Postage and Shipping	471	470	1,170			2,111	487	2,171	4,769
Education and Travel	878		2,749			3,627	10	658	4,295
Other Expenses	1,054		596	91		1,741	652	485	2,878
Meal Service Allocation	(24,029)			24,029		-	-		-
TOTAL EXPENSES	\$284,488	\$34,408	\$157,355	\$27,043	\$34,055	\$537,349	\$88,345	\$142,866	\$768,560

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Statement of Functional Expenses – Reviewed
For the Year Ended December 31, 2011

	Program Expenses				Supporting Expenses		
	Meal Programs		Educational	Total	General & Administrative	Fundraising	Total
	Sonoma Co.	Marin Co.	Outreach	Programs			
EXPENSES							
Compensation Expenses:							
Salaries and Wages	\$ 97,121	\$ -	\$ 56,101	\$153,222	\$30,290	\$49,838	\$233,350
Payroll Tax Expenses	9,231	-	5,180	14,411	2,882	4,683	21,976
Total Compensation Expenses	106,352	-	61,281	167,633	33,172	54,521	255,326
Food and Containers	63,971	17,123	692	81,786		220	82,006
Advertising and Promotion	992		12,596	13,588	522	21,847	35,957
Special Event			30,677	30,677			30,677
Cost of Sales			11,868	11,868			11,868
Professional Fees			25,340	25,340	2,755		28,095
Supplies	8,192		3,194	11,386	6,386	2,241	20,013
Rent	11,353	5,245	150	16,748	2,300		19,048
Utilities, Telephone and Janitorial	215			215	2,334		2,549
Depreciation	1,577		485	2,062	2,232	317	4,611
Insurance				-	7,554		7,554
Outside Services	1,860		3,893	5,753	2,000	175	7,928
Postage and Shipping	299		2,288	2,587	130	724	3,441
Education and Travel	583		1,852	2,435	181	376	2,992
Bank and Processing Fees			8	8	1,370	3,809	5,187
Other Expenses	188		478	666	306	231	1,203
TOTAL EXPENSES	\$195,582	\$22,368	\$154,802	\$372,752	\$61,242	\$84,461	\$518,455

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Notes to Financial Statements
December 31, 2012 and 2011

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 and primary community kitchen are located in Sebastopol, California, and an additional community kitchen is located in Marin County.

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.

In the year ended December 31, 2012, the Organization delivered 39,726 meals to 310 client families throughout Sonoma County and 9,160 meals to 77 clients in Marin County struggling with life-threatening illnesses, developed a teen leadership program in which 250 teens in Sonoma County donated 10,500 hours of service and received 156 hours of education, and 69 teens in Marin donated 1,592 hours of service in our community kitchen. In addition, the Organization conducted educational programs on health and healing foods.

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.

Revenue Recognition for Contributions – Contributions primarily consist of cash and in-kind donations and are recognized as support on the date of donation. Sales of cookbooks and promotional products are recognized as unrestricted revenue upon delivery.

Contributions of cash and other assets with donor stipulations that limit the use of the donated asset are reported as an increase in temporarily or permanently restricted net assets. Upon accomplishment of a donor’s intended purpose, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Revenue Recognition for CDFA Government Grant – The grant revenue for the cost reimbursement agreement with the California Department of Food and Agriculture is recognized as revenue in the period in which the costs are expended.

Amounts received and expended by the Organization under the government grant program are subject to audit by government agencies. In the opinion of management, an audit adjustment, if any, will not have a significant effect on the financial position of the Organization.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Notes to Financial Statements
December 31, 2012 and 2011

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

Donated Assets and Services – Donated assets and professional services are recorded at fair market value on the date of donation. In the year ended December 31, 2012, the Organization received in-kind donations of food totaling \$25,530 which have been included in the financial statements as donation revenues. The Organization has many volunteers who donate their non-professional services towards programs and support. The value of these non-professional services is not reflected in these financial statements. In the year ended December 31, 2012, 380 adult volunteers donated 16,643 hours of service and 319 teens donated 12,092 hours. In the year ended December 31, 2011, 240 adult volunteers donated 10,370 hours of service and 188 teens donated 7,170 hours.

The fair value of these services has been determined by management using the U.S. Department of Labor’s Occupational Employment Statistics for the Santa Rosa/Petaluma area, plus benefits and taxes estimated at 12% of compensation. The total fair value of these contributed services in the year ended December 31, 2012 is estimated as follows:

	<u>Number of Hours Contributed</u>	<u>Fair Value Per Hour of Service</u>	<u>Total Fair Value of Services</u>
Adult Volunteers	16,643	\$26.57	\$442,145
Teen Volunteers	12,092	\$8.96	\$108,343
Totals	<u>28,735</u>		<u>\$550,488</u>

Functional Expenses – Expenses are primarily charged directly to program or supporting service categories based on specific identification, actual time and building usage allocation methods.

Cash – Cash primarily consists of deposits held on demand at a bank. Cash did not exceed the federally insured limit of \$250,000 as of December 31, 2012.

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

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 \$1,000. Depreciation is calculated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building Leasehold Improvements	40
Kitchen Equipment	10-12
Computer and Office Equipment	5

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Notes to Financial Statements
December 31, 2012 and 2011

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.

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, 2012, 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 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2012 and 2011:

	2012 <u>Audited</u>	2011 <u>Reviewed</u>
Land	\$265,400	\$ -
Building Improvements	704,596	674,231
Kitchen Equipment	56,889	46,173
Office Equipment and Software	<u>19,208</u>	<u>16,231</u>
Total Property and Equipment	1,060,665	736,635
Less Accumulated Depreciation	<u>(29,831)</u>	<u>(4,611)</u>
Property and Equipment, net	<u><u>\$1,030,834</u></u>	<u><u>\$732,024</u></u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Notes to Financial Statements
December 31, 2012 and 2011

NOTE 2 – PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for property and equipment in the years ended December 31, 2012 and 2011 totaled \$25,220 and \$4,611, respectively.

NOTE 3 – LAND AND BUILDING LEASES AND PURCHASE

Sebastopol, California

On February 1, 2011, the Organization entered into an operating lease with the City of Sebastopol for real property located in Sebastopol, California for the use of the Organization's administrative and program facilities. Under the terms of this lease, the organization paid rent of \$1 per year plus utilities, maintenance and property tax expenses.

During 2011, the Organization invested \$674,231 in leasehold improvements and \$46,173 in kitchen equipment to renovate the building and add a commercial kitchen. The organization received approximately \$334,000 in cash contributions and \$290,000 in in-kind contributions towards these improvements in the year ended December 31, 2011. On November 19, 2011, the organization moved into the building and commenced operations. In October 22, 2012, the Organization purchased the real property from the City of Sebastopol for \$265,400.

Marin County, California

The Organization leased kitchen facilities for its program operations in Marin County on a month to month basis for approximately \$900 per month.

Rental expenses totaled \$10,375 and \$19,047 in the years ended December 31, 2012 and 2011, respectively.

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Notes to Financial Statements
December 31, 2012 and 2011

NOTE 4 – NOTES PAYABLE

Notes payable consisted of the following at December 31, 2012 and 2011:

	<u>2012</u> Audited	<u>2011</u> Reviewed
Note payable to finance company, monthly payments of principal and interest are due each month based on a 25 year amortization schedule. The interest rate is adjustable quarterly at the finance company's prime rate plus .75%. The interest rate at December 31, 2012 was 5.5% per annum. The remaining balance of approximately \$301,000 is due in full on July 5, 2017. 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. The note is subject to certain loan covenants. The organization was in compliance with these covenants as of December 31, 2012.	\$ 338,392	\$ -
Note payable to individual, principal and interest accrued at 3 percent per annum. Paid in full in July 2012.	-	100,000
Total Notes Payable	338,392	100,000
Less Current Portion	(7,400)	(100,000)
Non-current Portion	<u>\$330,992</u>	<u>\$ -</u>

Future scheduled maturities of the note payable are as follows as of December 31, 2012:

<u>Year Ending December 31,</u>	<u>Amount</u>
2013	\$ 7,400
2014	8,100
2015	8,500
2016	9,000
2017	<u>305,392</u>
	<u>\$338,392</u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Notes to Financial Statements
December 31, 2012 and 2011

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31, 2012:

	<u>2012</u> Audited	<u>2011</u> Reviewed
Temporary Restrictions for:		
Marin Meal Project	\$31,901	\$11,650
Ceres Community Garden	8,844	13,848
Cancer Journey	7,470	6,738
Wellness Garden	-	10,000
	<u>-\$48,215</u>	<u>\$42,236</u>
Total Temporarily Restricted Net Assets	<u>\$48,215</u>	<u>\$42,236</u>

NOTE 6 – SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

During the year ended December 31, 2012 and 2011, the Organization paid the following in interest:

	<u>2012</u> Audited	<u>2011</u> Reviewed
Interest Paid	<u>\$6,591</u>	<u>\$ -</u>

Noncash investing activities included the following in the year ended December 31, 2012:

	<u>2012</u> Audited	<u>2011</u> Reviewed
Purchase of real property with note payable	<u>\$265,400</u>	<u>\$ -</u>
Building improvements constructed by in-kind donations	<u>\$ -</u>	<u>\$290,094</u>

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)

Notes to Financial Statements
December 31, 2012 and 2011

NOTE 7 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 8, 2013, the date the financial statements were available to be issued.

On February 25, 2013, the Organization obtained a bank line of credit for \$100,000. Outstanding balances accrue interest based on the greater of lender's prime rate or 4.5% per annum. The line of credit matures on March 1, 2014.

In March 2013, the Organization entered into a three year sublease for additional office space in Sebastopol, California, with base rent totaling \$1,000 per month.

SUPPLEMENTAL INFORMATION

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Schedule of Expenses – Including the Fair Value of Volunteer Services
December 31, 2012

	Program Expenses					Supporting Expenses		
	Meal Programs		Educational	Garden &	Total	General &		Total
	Sonoma Co.	Marin Co.	Outreach	Services	Programs	Administrative	Fundraising	
Compensation Expenses:								
Employees	\$ 173,641	\$ -	\$ 94,509	\$ 19,500	\$ 287,650	\$ 48,602	\$ 93,397	\$ 429,649
Volunteers	298,568	145,130	19,128	34,344	497,170	36,369	16,949	550,488
Total Compensation	472,209	145,130	113,637	53,844	784,820	84,971	110,346	980,137
Food, Containers and								
Cookbooks	82,204	8,445	11,753	1,464	103,866	85	2,906	106,857
Professional Fees		11,832	11,235		23,067	5,200	6,000	34,267
Depreciation	17,959		4,771		22,730	1,245	1,245	25,220
Advertising and Promotion	1,207	915	13,640	28	15,790	210	8,993	24,993
Supplies	6,637	2,365	4,301	50	13,353	8,146	3,047	24,546
Repairs and Maintenance	6,393		3,485	733	10,611	5,406	3,389	19,406
Utilities, Telephone and								
Janitorial	8,151		3,796		11,947	2,381	1,881	16,209
Outside Services	8,511			1,516	10,027	2,127	3,247	15,401
Special Events			4,185		4,185		10,172	14,357
Garden Expenses				13,687	13,687			13,687
Rent		10,375			10,375			10,375
Bank and Processing Fees			524		524	3,418	5,019	8,961
Interest Expense					-	6,591		6,591
Insurance	1,411		641		2,052	3,791	256	6,099
Postage and Shipping	471	470	1,170		2,111	487	2,171	4,769
Education and Travel	878		2,749		3,627	10	658	4,295
Other Expenses	1,054		596	91	1,741	652	485	2,878
TOTAL	\$607,085	\$179,532	\$176,483	\$71,413	\$1,034,513	\$124,720	\$159,815	\$1,319,048
Percentage of Total	46%	14%	13%	5%	78%	9%	12%	100%

THE CERES COMMUNITY PROJECT
(A Nonprofit Public Benefit Corporation)
Notes to Supplemental Information
December 31, 2012

NOTE A – FAIR VALUE OF VOLUNTEER SERVICES

The Organization received the services of more than 600 volunteers in the year ended December 31, 2012. 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 and delivery of meals for the meal programs, as well as gardening, education, administration and fundraising.

The current average value of volunteer services in the locality is \$8 per hour for teenagers and \$23.72 per hour for adults, plus related payroll taxes and benefit of 12%. The fair value of the adult services has been determined by management using the U.S. Department of Labor’s Occupational Employment Statistics for the Santa Rosa/Petaluma area. The organization estimates the total value of the following volunteer services at \$550,488, and has included them in the Schedule of Expenses – Including the Fair Value of Volunteer Services:

	<u>Hours</u>	<u>Fair Value</u>
Sonoma County Meal Program:		
Adults – food preparation, cooking, delivery	7,473	\$198,538
Adults - educational instruction	604	16,038
Teenagers – afternoon food preparation	9,374	83,992
Marin County Meal Program:		
Adults – food preparation, cooking, delivery, instruction and supervision	4,926	130,865
Teenagers – afternoon food preparation	1,592	14,265
Educational Outreach:		
Adults	720	19,128
Garden Program:		
Adults	913	24,256
Teenagers	1,126	10,088
Administration:		
Adults	1,369	36,369
Fundraising:		
Adults	<u>638</u>	<u>16,949</u>
Total Fair Value of Volunteer Services	<u><u>28,735</u></u>	<u><u>\$550,488</u></u>