

***THE CERES COMMUNITY PROJECT***  
***(A Nonprofit Public Benefit Corporation)***

***FINANCIAL STATEMENTS***  
***and Supplemental Information***

***December 31, 2017 and 2016***

## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position, December 31, 2017 and 2016	2
Statement of Activities for the Year Ended December 31, 2017	3
Statement of Activities for the Year Ended December 31, 2016	4
Statement of Functional Expenses for the Year Ended December 31, 2017	5
Statement of Functional Expenses for the Year Ended December 31, 2016	6
Statements of Cash Flows for the Years Ended December 31, 2017 and 2016	7
Notes to Financial Statements	8 – 18
SUPPLEMENTAL INFORMATION	
Independent Auditor's Report on Supplemental Information	19
Schedule of Expenses – Including the Fair Value of Non-Professional Volunteer Services for the Year Ended December 31, 2017	20
Schedule of Expenses – Including the Fair Value of Non-Professional Volunteer Services for the Year Ended December 31, 2016	21
Notes to Supplemental Information	22

*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, 2017 and 2016, 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, 2017 and 2016, 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 9, 2018

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Statements of Financial Position**  
**December 31, 2017 and 2016**

	December 31,	
	2017	2016
Cash and Cash Equivalents	\$ 400,613	\$ 275,233
Accounts Receivable	4,731	4,481
Inventory	12,955	17,060
Other Current Assets	10,843	13,603
<b>TOTAL CURRENT ASSETS</b>	<u>429,142</u>	<u>310,377</u>
Real Property Held for Sale	158,000	-
Prepaid Copier Expenses	26,739	33,287
Property and Equipment, net	<u>1,151,659</u>	<u>1,119,353</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,765,540</u></u>	<u><u>\$ 1,463,017</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable	21,553	44,537
Accrued Salaries and Wages	30,916	-
Accrued Paid Time Off	43,941	32,005
Line of Credit	-	25,000
Other Current Liabilities	10,089	18,287
Current Portion of Long-term Debt	<u>19,000</u>	<u>390,760</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>125,499</u>	<u>510,589</u>
Long-term Debt	<u>389,510</u>	<u>35,500</u>
<b>TOTAL LIABILITIES</b>	<u>515,009</u>	<u>546,089</u>
 <b>NET ASSETS</b>		
Unrestricted	1,193,012	817,912
Temporarily restricted	<u>57,519</u>	<u>99,016</u>
<b>TOTAL NET ASSETS</b>	<u>1,250,531</u>	<u>916,928</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,765,540</u></u>	<u><u>\$ 1,463,017</u></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, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT:</b>			
Contributions:			
Individuals	\$ 619,995	\$ 50,486	\$ 670,481
Businesses and Organizations	143,950	7,626	151,576
Foundations	600,258	119,936	720,194
In-Kind Contributions	355,898	6,577	362,475
Government Grant Income	37,500		37,500
Community Outreach Revenues	34,743		34,743
Sales of Food Products	347,845		347,845
Special Events	241,066		241,066
Affiliate Licensing and Training Fees	20,982		20,982
Interest and Other Income	12,359		12,359
Net Assets Released From Restrictions	226,122	(226,122)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>2,640,718</b>	<b>(41,497)</b>	<b>2,599,221</b>
 <b>EXPENSES:</b>			
Program Services:			
Meal Program-Sebastopol	638,915		638,915
Meal Program-Marin County	212,806		212,806
Meal Program-East Bay	60,550		60,550
Meal Program-Dream Center	267,649		267,649
Community Outreach and Education	261,246		261,246
Food Sales and Catering	271,148		271,148
California Medi-Cal Study	9,434		9,434
National Program	11,153		11,153
Total Program Services	1,732,901	-	1,732,901
Supporting Services:			
General & Administrative	196,772	-	196,772
Fundraising	335,945	-	335,945
Total Supporting Services	532,717	-	532,717
<b>TOTAL EXPENSES</b>	<b>2,265,618</b>	<b>-</b>	<b>2,265,618</b>
<b>CHANGE IN NET ASSETS</b>	<b>375,100</b>	<b>(41,497)</b>	<b>333,603</b>
<b>NET ASSETS, BEGINNING</b>	<b>817,912</b>	<b>99,016</b>	<b>916,928</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,193,012</b>	<b>\$ 57,519</b>	<b>\$ 1,250,531</b>

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, 2016**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT:</b>			
Contributions:			
Individuals	\$ 517,158	\$ 98,890	\$ 616,048
Businesses and Organizations	99,654	8,205	107,859
Foundations	362,734	184,225	546,959
In-Kind Contributions	283,725		283,725
Community Outreach Revenues	37,259		37,259
Sales of Food Products	188,056		188,056
Special Events	310,597		310,597
Affiliate Licensing and Training Fees	12,825		12,825
Interest and Other Income	684		684
Net Assets Released From Restrictions	440,086	(440,086)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>2,252,778</b>	<b>(148,766)</b>	<b>2,104,012</b>
 <b>EXPENSES:</b>			
Program Services:			
Meal Program-Sebastopol	785,033		785,033
Meal Program-Marin County	215,905		215,905
Meal Program-Sonoma Valley	10,944		10,944
Meal Program-East Bay	51,068		51,068
Meal Program-Dream Center	261,768		261,768
Community Outreach and Education	279,168		279,168
Food Sales and Catering	107,420		107,420
National Program	16,902		16,902
Total Program Services	1,728,208	-	1,728,208
Supporting Services:			
General & Administrative	171,571	-	171,571
Fundraising	361,378	-	361,378
Total Supporting Services	532,949	-	532,949
<b>TOTAL EXPENSES</b>	<b>2,261,157</b>	<b>-</b>	<b>2,261,157</b>
 <b>CHANGE IN NET ASSETS</b>	 <b>(8,379)</b>	 <b>(148,766)</b>	 <b>(157,145)</b>
 <b>NET ASSETS, BEGINNING</b>	 <b>826,291</b>	 <b>247,782</b>	 <b>1,074,073</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 817,912</b>	<b>\$ 99,016</b>	<b>\$ 916,928</b>

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, 2017**

	Program Expenses								Supporting Expenses			
	Meal Programs				Community Outreach	Food Sales	CA Medi-Cal Study	National Program	Total Programs	General & Fundraising		Total
	Sebastopol	Marin County	East Bay	Dream Center						Administrative	Fundraising	
<b>EXPENSES</b>												
Compensation Expenses:												
Salaries and Wages	\$ 280,487	\$ 119,836	\$ -	\$ 133,344	\$ 150,394	\$ 138,230	\$ -	\$ 8,095	\$ 830,386	\$ 113,551	\$ 176,031	\$ 1,119,968
Payroll Tax Expenses	21,826	9,479	-	11,242	11,848	12,301	-	625	67,321	8,590	14,493	90,404
Employee Benefits	33,843	11,951	-	4,814	18,702	5,438	-	948	75,696	13,211	12,634	101,541
	336,156	141,266	-	149,400	180,944	155,969	-	9,668	973,403	135,352	203,158	1,311,913
Contributed Professional Services	72,475	2,031	-	10,659	174	-	-	-	85,339	10,635	5,333	101,307
Total Compensation Expenses	408,631	143,297	-	160,059	181,118	155,969	-	9,668	1,058,742	145,987	208,491	1,413,220
Food	136,575	36,122	-	42,560	538	45,138	-	25	260,958	329	1,085	262,372
Rent	27,576	13,905	-	26,772	10,944	1,368	-	456	81,021	4,560	12,312	97,893
Professional Fees	2,849	551	5,330	37	25,423	9,484	189	-	43,863	10,587	25,206	79,656
Depreciation	33,216	1,788	-	15,851	1,848	5,114	-	50	57,867	680	1,180	59,727
Special Event	-	151	-	-	-	-	-	-	151	-	51,979	52,130
Facilities and Equipment Expenses	22,313	2,620	-	7,046	2,346	10,311	-	20	44,656	204	464	45,324
Computer, Telephone, Internet	9,875	5,155	-	4,060	8,092	341	-	117	27,640	4,333	8,011	39,984
Supplies & Cookbooks	11,963	2,056	-	1,789	6,006	5,697	520	19	28,050	3,021	448	31,519
Development and Travel	3,492	4,061	-	899	4,745	8,436	3,707	19	25,359	1,391	1,148	27,898
Outside Services	6,931	1,180	-	2,888	1,712	1,445	-	66	14,222	3,600	7,606	25,428
Interest Expense	19,634	-	-	-	2,182	-	-	-	21,816	2,500	-	24,316
Catering Expenses	-	18	-	-	-	22,346	-	-	22,364	-	-	22,364
Marketing and Promotion	1,551	846	-	730	9,525	412	-	-	13,064	2,669	4,604	20,337
Banking and Processing Fees	2,216	120	-	62	89	3,569	-	-	6,056	3,322	8,437	17,815
Other Expenses	50	690	83	58	2,680	168	5,018	-	8,747	6,736	245	15,728
Insurance	3,565	-	-	570	1,996	570	-	713	7,414	4,811	2,281	14,506
Garden Expenses	1,974	-	-	3,699	-	-	-	-	5,673	-	-	5,673
Licenses and Fees	984	-	-	420	-	780	-	-	2,184	1,309	1,913	5,406
Postage and Shipping	657	246	-	149	2,002	-	-	-	3,054	733	535	4,322
Meal Service	(55,137)	-	55,137	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 638,915</b>	<b>\$ 212,806</b>	<b>\$ 60,550</b>	<b>\$ 267,649</b>	<b>\$ 261,246</b>	<b>\$ 271,148</b>	<b>\$ 9,434</b>	<b>\$ 11,153</b>	<b>\$ 1,732,901</b>	<b>\$ 196,772</b>	<b>\$ 335,945</b>	<b>\$ 2,265,618</b>

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, 2016**

	Program Expenses								Supporting Expenses			
	Meal Programs					Community Outreach	Food Sales	National Program	Total Programs	General & Administrative	Fundraising	Total
	Sebastopol	Marin County	Sonoma Valley	East Bay	Dream Center							
<b>EXPENSES</b>												
Compensation Expenses:												
Salaries and Wages	\$ 319,050	\$ 112,035	\$ 4,744	\$ 29,575	\$ 93,363	\$ 162,849	\$ 37,291	\$ 13,211	\$ 772,118	\$ 76,654	\$ 189,126	\$ 1,037,898
Payroll Tax Expenses	24,894	9,304	600	2,467	6,866	12,317	3,476	985	60,909	5,557	15,051	81,517
Employee Benefits	40,908	12,578	-	4,505	6,940	16,164	2,354	707	84,156	7,827	8,561	100,544
	384,852	133,917	5,344	36,547	107,169	191,330	43,121	14,903	917,183	90,038	212,738	1,219,959
Contributed Professional Services	72,464	6,445	-	-	17,086	949	-	-	96,944	13,438	8,840	119,222
Total Compensation Expenses	457,316	140,362	5,344	36,547	124,255	192,279	43,121	14,903	1,014,127	103,476	221,578	1,339,181
Food	158,353	48,935	2,668	5,795	69,188	582	13,390	21	298,932	189	-	299,121
Professional Fees	19,879	2,974	1,854	1,455	-	21,925	8,763	-	56,850	39,605	35,595	132,050
Rent	28,080	11,104	-	640	24,404	13,440	-	960	78,628	6,080	14,880	99,588
Facilities and Equipment Expenses	34,898	3,623	125	4,028	23,648	12,321	7,904	106	86,653	3,764	5,882	96,299
Marketing and Promotion	280	352	-	-	236	14,631	428	-	15,927	-	13,009	28,936
Depreciation	30,554	764	-	-	9,383	5,426	501	123	46,751	703	1,519	48,973
Special Event	-	-	-	-	-	-	-	-	-	-	46,932	46,932
Supplies & Cookbooks	11,733	2,594	49	1,681	4,088	6,323	5,396	142	32,006	1,537	592	34,135
Interest Expense	16,872	-	-	-	-	1,875	-	-	18,747	3,897	-	22,644
Development and Travel	5,412	2,742	862	638	745	3,514	897	-	14,810	1,958	1,091	17,859
Banking and Processing Fees	-	373	-	-	-	-	577	-	950	500	12,891	14,341
Outside Services	11,482	1,496	-	238	3,766	2,254	363	15	19,614	2,554	472	22,640
Catering Expenses	-	-	-	-	-	-	22,628	-	22,628	-	-	22,628
Insurance	3,101	-	42	-	414	1,595	415	570	6,137	3,647	1,823	11,607
General Expenses	832	384	-	-	-	623	-	-	1,839	2,360	4,145	8,344
Postage and Shipping	1,979	202	-	46	84	2,380	194	62	4,947	493	694	6,134
Garden Expenses	3,376	-	-	-	-	-	-	-	3,376	-	-	3,376
Licenses and Fees	886	-	-	-	1,557	-	2,843	-	5,286	808	275	6,369
<b>TOTAL EXPENSES</b>	<b>\$ 785,033</b>	<b>\$ 215,905</b>	<b>\$ 10,944</b>	<b>\$ 51,068</b>	<b>\$ 261,768</b>	<b>\$ 279,168</b>	<b>\$ 107,420</b>	<b>\$ 16,902</b>	<b>\$ 1,728,208</b>	<b>\$ 171,571</b>	<b>\$ 361,378</b>	<b>\$ 2,261,157</b>

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, 2017 and 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 333,603	\$ (157,145)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contribution of real property held for sale	(158,000)	
Depreciation	59,727	48,973
Contributions restricted for equipment purchase	(9,236)	
Loss on retirement of equipment	-	2,042
(Increase) Decrease in current assets:		
Accounts receivable	(250)	(4,157)
Inventory	4,105	(14,575)
Other current Assets	2,760	(8,185)
Prepaid copier expenses	6,548	1,092
Increase (Decrease) in current liabilities:		
Accounts payable	(22,984)	2,715
Accrued payroll	30,916	
Accrued paid time off	11,936	8,117
Other current liabilities	(8,198)	13,051
 <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	 <b>250,927</b>	 <b>(108,072)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment and software	(92,033)	(81,445)
 <b>NET CASH USED IN INVESTING ACTIVITIES</b>	 <b>(92,033)</b>	 <b>(81,445)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	50,000	50,000
Cash contributions restricted for equipment purchase	9,236	-
Net proceeds from line of credit	(25,000)	25,000
Repayments of long term debt	(67,750)	(13,761)
 <b>NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	 <b>(33,514)</b>	 <b>61,239</b>
 <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	 <b>125,380</b>	 <b>(128,278)</b>
 <b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	 <b>275,233</b>	 <b>403,511</b>
 <b>CASH AND CASH EQUIVALENTS, End of Year</b>	 <b>\$ 400,613</b>	 <b>\$ 275,233</b>

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, 2017 and 2016**

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. Additional community kitchens were located in Alameda County and Sonoma Valley, California in the year ended December 31, 2016.

In February 2016, the Sonoma Valley kitchen was closed, and a new kitchen was opened in Santa Rosa, California under an agreement with Social Advocates for Youth, a nonprofit serving homeless youth and those leaving the foster care system. The Sonoma Valley area continues to be served via the Santa Rosa kitchen. In October 2016, the Ceres Café was opened at the Santa Rosa kitchen site. The Café educates the broader community about healthy eating and provides job training opportunities for youth, including those who have been in the foster care system and other youth with risk factors. The installation of a garden was completed at the Santa Rosa kitchen site in November 2017 to provide fresh food for the meal program and additional job training opportunities for youth.

In March 2016, a fourth commercial kitchen was added in Alameda, California under an agreement with the Alameda Point Collaborative, a nonprofit helping families and individuals break the cycle of homelessness and poverty, to engage formerly homeless youth and provide nourishing organic meals to women with cancer living at or below 200% of the Federal Poverty Level. The kitchen in Alameda was closed June 23, 2016.

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 also engage in service learning in organic food gardening. In addition, the Organization conducts 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 Exchange Transactions – 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.

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2017 and 2016**

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

Revenue Recognition for Contributions – Contributions primarily consist of cash and in-kind donations and are recognized as support on the date of donation.

Contributions of cash and other assets with donor stipulations that limit the use of the donated asset are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Other purpose restricted support is reported as an increase in temporarily restricted net assets 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.

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 Expenses – Expenses are primarily charged directly to program or supporting service categories based on specific identification, square footage and actual hour allocation methods.

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.

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

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
Notes to Financial Statements  
**December 31, 2017 and 2016**

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, 2017 and 2016 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 consists of the following at December 31, 2017 and 2016:

	2017	2016
Exchange Bank Checking Account	\$386,877	\$261,333
Exchange Bank Savings Account	-	500
Merchant Accounts	13,286	13,400
Petty Cash	450	-
Totals	\$400,613	\$275,233

Cash and cash equivalents held at Exchange Bank frequently exceeded the federally insured limit of \$250,000 in the years ended December 31, 2017 and 2016.

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2017 and 2016**

NOTE 3 – FAIR VALUE OF ASSETS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
Level 2	<p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none"> <li>• Quoted prices for similar assets or liabilities in active markets;</li> <li>• Quoted prices for identical or similar assets or liabilities in inactive markets;</li> <li>• Inputs other than quoted prices that are observable for the asset or liability;</li> <li>• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li> </ul> <p>If the assets or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

*Real Property Held for Sale*

The Organization received a donation of real property during the year ended December 31, 2017. Management sold the property on April 6, 2018. The property was valued at fair value on the date of donation. Fair value was determined as the selling price, less sales credits and selling costs, resulting in a fair value of \$158,000. The fair value measurement of this assets is considered Level 2 at December 31, 2017.

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2017 and 2016**

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2017 and 2016:

	2017	2016
Land	\$265,400	\$265,400
Building Improvements	727,263	727,263
Kitchen and Office Equipment	320,245	244,890
Computer Software	77,940	61,262
 Total Property and Equipment	 1,390,848	 1,298,815
Less Accumulated Depreciation	(239,189)	(179,462)
 Property and Equipment, net	 \$1,151,659	 \$1,119,353

NOTE 5 – LAND AND BUILDING LEASES

The Organization was a lessee in the following leases during the years ended December 31, 2017 and 2016.

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, 2017 and 2016.

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, 2017, the Organization has purchased commercial kitchen equipment at this location at a total cost of \$118,649. 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, 2017 and 2016.

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2017 and 2016**

NOTE 5 – LAND AND BUILDING LEASES (Continued)

Marin County, California

The Organization uses the commercial kitchen facilities of Community Action Marin, a non-profit corporation, approximately 10 hours per week for its program operations in Marin County. The Organization paid \$867 per month under a use agreement through March 30, 2017, and then a monthly fee based on usage from April 1, 2017 through March 30, 2018. The agreement may be terminated with 30 days written notice by either party.

Alameda, California

During the year ended December 31, 2015, the Organization entered into a lease and integrated service agreement with the Alameda Point Collaborative. Under the agreement, the Organization will provide food and kitchen supplies needed to operate its meal program, and Alameda Point Collaborative will provide kitchen and meeting room facilities. Operations began at this location in March 2016. The lease and operations were terminated on June 23, 2016.

Rental expenses, including donated facilities, totaled \$97,893 and \$99,588 in the years ended December 31, 2017 and 2016, respectively. The fair value of donated facilities included in rental expenses totaled \$41,124 per year in each of the years ended December 31, 2017 and 2016.

NOTE 6 – BANK LINES OF CREDIT

The Organization has a bank line of credit for \$150,000. Outstanding balances accrue interest based on the greater of lender's prime rate or 4.5% per annum. Outstanding balances totaled \$0 and \$25,000, respectively, at December 31, 2017 and 2016. The line of credit is secured by substantially all accounts, inventory, equipment and general intangible assets of the Organization and expires on May 1, 2018.

The Organization has an unsecured credit card with a bank with a limit of \$30,000. The outstanding balance totaled \$12,530 and \$16,959 at December 31, 2017 and 2016, respectively, and was included in Accounts Payable in the Statement of Financial Position.

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2017 and 2016**

NOTE 7 – LONG TERM DEBT

Long term debt consisted of the following at December 31, 2017 and 2016:

	2017	2016
<p>Note payable to finance company, monthly payments of principal and interest totaling \$2,665 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, 2017 and 2016 was 5.75% and 5.50%, respectively, per annum. The remaining balance of approximately \$317,000 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>	\$ 373,013	\$ 382,786
<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>	35,497	43,474
<p>Total Long Term Debt</p>	408,510	426,260
<p>Less Current Portion</p>	(19,000)	(390,760)
<p>Non-current Portion</p>	\$389,510	\$35,500

The note payable to finance company is subject to certain financial covenants. The Organization was in compliance with these covenants at December 31, 2017.

During the year ended December 31, 2017, the Organization borrowed and repaid \$50,000 on a note payable to a financial institution with an interest rate of 6.0% per annum.



**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2017 and 2016**

NOTE 7 – LONG TERM DEBT (Continued)

Future scheduled maturities of the long term debt are as follows as of December 31, 2017:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 19,000
2019	20,000
2020	21,000
2021	22,000
2022	<u>326,510</u>
	<u><u>\$408,510</u></u>

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Temporary Restrictions for:		
Marin Meal Project	\$ -	\$17,605
Community Outreach - Catering Van	9,236	-
East Bay Satellite Kitchen	-	36,948
Dream Center in Santa Rosa - Equipment	-	21,738
Dream Center in Santa Rosa - Salaries	39,936	22,725
Dream Center in Santa Rosa - Garden	<u>8,347</u>	<u>-</u>
 Total Temporarily Restricted Net Assets	 <u><u>\$57,519</u></u>	 <u><u>\$99,016</u></u>

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2017 and 2016**

NOTE 9 – IN-KIND CONTRIBUTIONS

In the years ended December 31, 2017 and 2016, the Organization received in-kind donations of real property, food, facility usage and skilled services. The real property has been included in the statement of position as real property held for sale and in the statement of activities as in-kind contribution revenues. 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>2017</u>	<u>2016</u>
In-Kind Contributions of Assets:		
Real Property Held for Sale	\$158,000	\$ -
In-Kind Contribution Expenses:		
Food	62,044	123,379
Use of Land for Garden	18,000	18,000
Use of Santa Rosa Kitchen at Dream Center	23,124	23,124
Professional Services	<u>101,307</u>	<u>119,222</u>
Total In-Kind Contribution Revenues	<u>\$362,475</u>	<u>\$283,745</u>

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 Sonoma County, Marin County and/or California 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, 2017 is as follows:

	<u>Number of Hours Contributed</u>	<u>Average Fair Value Per Hour of Service</u>	<u>Total Fair Value of Services</u>
Sebastopol Meal Program	1,794	\$40.40	\$72,475
Marin Meal Program	50	\$40.62	2,031
Dream Center Program	263	\$40.53	10,659
Community Outreach	6	\$29.00	174
Management and General	283	\$37.58	10,635
Fundraising	<u>106</u>	<u>\$50.31</u>	<u>5,333</u>
Totals	<u>2,502</u>		<u>\$101,307</u>

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2017 and 2016**

NOTE 9 – IN-KIND CONTRIBUTIONS (Continued)

The total fair value of contributed professional services included in the financial statements in the year ended December 31, 2016 is as follows:

	Number of Hours Contributed	Average Fair Value Per Hour of Service	Total Fair Value of Services
Sebastopol Meal Program	1,857	\$39.02	\$72,464
Marin Meal Program	199	\$32.39	6,445
Dream Center Program	444	\$38.48	17,086
Community Outreach	34	\$27.91	949
Management and General	405	\$33.18	13,438
Fundraising	209	\$42.30	8,840
Totals	<u>3,148</u>		<u>\$119,222</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, 2017, adult volunteers donated 19,432 hours of non-professional service and teen volunteers donated 22,187 hours. In the year ended December 31, 2016, adult volunteers donated 21,188 hours of non-professional service and teen volunteers donated 23,136 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 Sonoma County, Marin County and California areas, plus benefits and taxes estimated at 18% of compensation in the years ended December 31, 2017 and 2016.

The total fair value of the non-professional volunteer services in the year ended December 31, 2017 is as follows:

	Number of Hours Contributed	Average Fair Value Per Hour of Service	Total Fair Value of Services
Adult Volunteers	19,432	\$19.37	\$376,476
Teen Volunteers	22,187	\$12.39	274,897
Totals	<u>41,619</u>		<u>\$651,373</u>

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Notes to Financial Statements**  
**December 31, 2017 and 2016**

NOTE 9 – IN-KIND CONTRIBUTIONS (Continued)

The total fair value of the non-professional volunteer services in the year ended December 31, 2016 is as follows:

	Number of Hours Contributed	Average Fair Value Per Hour of Service	Total Fair Value of Services
Adult Volunteers	21,188	\$17.94	\$380,110
Teen Volunteers	23,136	\$11.81	273,298
Totals	<u>44,324</u>		<u>\$653,408</u>

NOTE 10 – SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

During the year ended December 31, 2017 and 2016, the Organization paid the following in interest:

	<u>2017</u>	<u>2016</u>
Interest Paid	<u>\$23,463</u>	<u>\$19,217</u>

Noncash investment and financing activities consist of the following in the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Office Equipment purchased with long term debt	\$ -	\$10,500
Prepaid copier expense purchased with long term debt	-	34,379
Real property contributed as an in-kind donation	158,000	-
	<u>\$158,000</u>	<u>\$44,879</u>

NOTE 11 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 9, 2018, the date the financial statements were available to be issued.

## 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, 2017 and 2016 and for the years then ended, and have issued my report thereon dated April 9, 2018, 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, 2017 and 2016 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 9, 2018

**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Schedule of Expenses - Including Value of Non-Professional Volunteer Services**  
**For the Year Ended December 31, 2017**

	Program Expenses								Supporting Expenses			
	Meal Programs				Community Outreach	Food Sales	CA Medi-Cal Study	National Program	Total Programs	General & Administrative		Total
	Sebastopol	Marin County	East Bay	Dream Center						Fundraising		
<b>EXPENSES</b>												
Compensation Expenses:												
Employees	\$ 336,156	\$ 141,266	\$ -	\$ 149,400	\$ 180,944	\$ 155,969	\$ -	\$ 9,668	\$ 973,403	\$ 135,352	\$ 203,158	\$ 1,311,913
Contributed Professional Services	72,475	2,031	-	10,659	174	-	-	-	85,339	10,635	5,333	101,307
Non-Professional Volunteer Services:												
Adult Volunteer	185,395	59,519	-	43,552	49,639	-	-	-	338,105	32,925	5,446	376,476
Teen Volunteers	172,283	35,361	-	67,253	-	-	-	-	274,897	-	-	274,897
Total Compensation Expenses	766,309	238,177	-	270,864	230,757	155,969	-	9,668	1,671,744	178,912	213,937	2,064,593
Food	136,575	36,122	-	42,560	538	45,138	-	25	260,958	329	1,085	262,372
Rent	27,576	13,905	-	26,772	10,944	1,368	-	456	81,021	4,560	12,312	97,893
Professional Fees	2,849	551	5,330	37	25,423	9,484	189	-	43,863	10,587	25,206	79,656
Depreciation	33,216	1,788	-	15,851	1,848	5,114	-	50	57,867	680	1,180	59,727
Special Event	-	151	-	-	-	-	-	-	151	-	51,979	52,130
Facilities and Equipment Expenses	22,313	2,620	-	7,046	2,346	10,311	-	20	44,656	204	464	45,324
Computer, Telephone, Internet	9,875	5,155	-	4,060	8,092	341	-	117	27,640	4,333	8,011	39,984
Supplies & Cookbooks	11,963	2,056	-	1,789	6,006	5,697	520	19	28,050	3,021	448	31,519
Development and Travel	3,492	4,061	-	899	4,745	8,436	3,707	19	25,359	1,391	1,148	27,898
Outside Services	6,931	1,180	-	2,888	1,712	1,445	-	66	14,222	3,600	7,606	25,428
Interest Expense	19,634	-	-	-	2,182	-	-	-	21,816	2,500	-	24,316
Catering Expenses	-	18	-	-	-	22,346	-	-	22,364	-	-	22,364
Marketing and Promotion	1,551	846	-	730	9,525	412	-	-	13,064	2,669	4,604	20,337
Banking and Processing Fees	2,216	120	-	62	89	3,569	-	-	6,056	3,322	8,437	17,815
Other Expenses	50	690	83	58	2,680	168	5,018	-	8,747	6,736	245	15,728
Insurance	3,565	-	-	570	1,996	570	-	713	7,414	4,811	2,281	14,506
Garden Expenses	1,974	-	-	3,699	-	-	-	-	5,673	-	-	5,673
Licenses and Fees	984	-	-	420	-	780	-	-	2,184	1,309	1,913	5,406
Postage and Shipping	657	246	-	149	2,002	-	-	-	3,054	733	535	4,322
Meal Service	(55,137)	-	55,137	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 996,593</b>	<b>\$ 307,686</b>	<b>\$ 60,550</b>	<b>\$ 378,454</b>	<b>\$ 310,885</b>	<b>\$ 271,148</b>	<b>\$ 9,434</b>	<b>\$ 11,153</b>	<b>\$ 2,345,903</b>	<b>\$ 229,697</b>	<b>\$ 341,391</b>	<b>\$ 2,916,991</b>

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 Value of Non-Professional Volunteer Services**  
**For the Year Ended December 31, 2016**

	Program Expenses								Supporting Expenses			
	Meal Programs				Dream Center	Community Outreach	Food Sales	National Program	Total Programs	General & Administrative	Fundraising	Total
	Sebastopol	Marin County	Sonoma Valley	East Bay								
<b>EXPENSES</b>												
Compensation:												
Employees	\$ 384,852	\$ 133,917	\$ 5,344	\$ 36,547	\$ 107,169	\$ 191,330	\$ 43,121	\$ 14,903	\$ 917,183	\$ 90,038	\$ 212,738	\$ 1,219,959
Contributed Professional Services	72,464	6,445	-	-	17,086	949	-	-	96,944	13,438	8,840	119,222
Non-Professional Volunteer Services:												
Adult Volunteers	196,895	63,486	1,867	5,574	33,636	27,389	-	-	328,847	37,155	14,108	380,110
Teen Volunteers	176,174	38,052	2,566	3,778	52,728	-	-	-	273,298	-	-	273,298
Total Compensation Value	830,385	241,900	9,777	45,899	210,619	219,668	43,121	14,903	1,616,272	140,631	235,686	1,992,589
Food	158,353	48,935	2,668	5,795	69,188	582	13,390	21	298,932	189	-	299,121
Professional Fees	19,879	2,974	1,854	1,455	-	21,925	8,763	-	56,850	39,605	35,595	132,050
Rent	28,080	11,104	-	640	24,404	13,440	-	960	78,628	6,080	14,880	99,588
Facilities and Equipment Expenses	34,898	3,623	125	4,028	23,648	12,321	7,904	106	86,653	3,764	5,882	96,299
Marketing and Promotion	280	352	-	-	236	14,631	428	-	15,927	-	13,009	28,936
Depreciation	30,554	764	-	-	9,383	5,426	501	123	46,751	703	1,519	48,973
Special Event	-	-	-	-	-	-	-	-	-	-	46,932	46,932
Supplies & Cookbooks	11,733	2,594	49	1,681	4,088	6,323	5,396	142	32,006	1,537	592	34,135
Interest Expense	16,872	-	-	-	-	1,875	-	-	18,747	3,897	-	22,644
Development and Travel	5,412	2,742	862	638	745	3,514	897	-	14,810	1,958	1,091	17,859
Banking and Processing Fees	-	373	-	-	-	-	577	-	950	500	12,891	14,341
Outside Services	11,482	1,496	-	238	3,766	2,254	363	15	19,614	2,554	472	22,640
Catering Expenses	-	-	-	-	-	-	22,628	-	22,628	-	-	22,628
Insurance	3,101	-	42	-	414	1,595	415	570	6,137	3,647	1,823	11,607
General Expenses	832	384	-	-	-	623	-	-	1,839	2,360	4,145	8,344
Postage and Shipping	1,979	202	-	46	84	2,380	194	62	4,947	493	694	6,134
Garden Expenses	3,376	-	-	-	-	-	-	-	3,376	-	-	3,376
Licenses and Fees	886	-	-	-	1,557	-	2,843	-	5,286	808	275	6,369
<b>TOTAL EXPENSES AND VOLUNTEER SERVICES</b>	<b>\$ 1,158,102</b>	<b>\$ 317,443</b>	<b>\$ 15,377</b>	<b>\$ 60,420</b>	<b>\$ 348,132</b>	<b>\$ 306,557</b>	<b>\$ 107,420</b>	<b>\$ 16,902</b>	<b>\$ 2,330,353</b>	<b>\$ 208,726</b>	<b>\$ 375,486</b>	<b>\$ 2,914,565</b>



**THE CERES COMMUNITY PROJECT**  
**(A Nonprofit Public Benefit Corporation)**  
**Note to Supplemental Information**  
**December 31, 2017 and 2016**

**NOTE A – FAIR VALUE OF NON-PROFESSIONAL VOLUNTEER SERVICES**

Non-professional volunteer hours totaled 19,432 for adults and 22,187 for teenagers in the year ended December 31, 2017 and totaled 21,188 for adults and 23,136 for teenagers in the year ended December 31, 2016. 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 \$19.37 per hour and \$17.94 per hour for adults and \$12.39 per hour and \$11.81 per hour for teenagers in the years ended December 31, 2017 and 2016, 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 Marin County, California. The organization estimates the total value of the following non-professional volunteer services as \$651,373 and \$653,408 in the years ended December 31, 2017 and 2016, 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, 2017 and 2016 as follows:

	<u>2017</u> <u>Hours</u>	<u>2017</u> <u>Fair Value</u>	<u>2016</u> <u>Hours</u>	<u>2016</u> <u>Fair Value</u>
Sebastopol Meal Program:				
Adults	9,790	\$185,395	11,180	\$196,895
Teenagers	13,905	172,283	14,930	176,174
Marin County Meal Program:				
Adults	2,784	59,519	3,118	63,486
Teenagers	2,854	35,361	3,203	38,052
Sonoma Valley Meal Program:				
Adults	-	-	141	1,867
Teenagers	-	-	216	2,566
Santa Rosa Meal Program:				
Adults	2,464	43,552	2,071	33,636
Teenagers	5,428	67,253	4,469	52,728
East Bay Meal Program:				
Adults	-	-	421	5,574
Teenagers	-	-	318	3,778
Community Outreach:				
Adults	2,594	49,639	1,793	27,389
Administration:				
Adults	1,610	32,925	1,901	37,155
Fundraising:				
Adults	190	5,446	563	14,108
Total Fair Value of Non- Professional Volunteer Services	<u>41,619</u>	<u>\$651,373</u>	<u>44,324</u>	<u>\$653,408</u>

See Independent Auditor’s Report on Supplemental Information