THE EDIBLE SCHOOLYARD PROJECT

Financial Statements
with Independent Auditor's Report

Years Ended June 30, 2020 and 2019

THE EDIBLE SCHOOLYARD PROJECT

Years Ended June 30, 2020 and 2019

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BHLF LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Edible Schoolyard Project

We have audited the accompanying financial statements of The Edible Schoolyard Project, a California nonprofit corporation (the Organization), which comprise the statements of financial position as of June 30, 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 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Edible Schoolyard Project as of June 30, 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.

BHLF LLP

Walnut Creek, California
April 16, 2021

1255 Treat Blvd, Suite 300, Walnut Creek, CA 94597
www.bhlfcpa.com

THE EDIBLE SCHOOLYARD PROJECT

Statements of Financial Position
June 30, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 342,325	$ 503,339
Pledges receivable, net	142,919	520,815
Investments	1,875,030	2,024,342
Prepaid expenses	20,154	52,293
Total current assets	2,380,428	3,100,789
Pledges receivable, net of current portion	68,500	10,000
Office equipment and improvements, net	62,871	118,323
Total assets	$ 2,511,799	$ 3,229,112
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 10,645	$ 49,980
Accrued liabilities	42,594	64,302
Current portion of notes payable	43,089	-
Total current liabilities	96,328	114,282
Note payable, net of current	215,911	-
Total liabilities	312,239	114,282
NET ASSETS		
Without donor restrictions	1,599,021	2,542,330
With donor restrictions	600,539	572,500
Total net assets	2,199,560	3,114,830
Total liabilities and net assets	$ 2,511,799	$ 3,229,112

See notes to financial statements.

THE EDIBLE SCHOOLYARD PROJECT

Statement of Activities
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Grants and contributions			
Foundation grants	$ 802,766	$ 83,889	$ 886,655
Individual donations	309,055	-	309,055
Special events	78,472	-	78,472
Corporate donations	102,454	-	102,454
Honorariums	1,000	-	1,000
Net assets released from restrictions	55,850	(55,850)	-
Total grants and contributions	1,349,597	28,039	1,377,636
Other income			
Investment return, net	1,191	-	1,191
Program revenue	45,251	-	45,251
Participation and tuition fees	370	-	370
Other income	13,977	-	13,977
Total other income	60,789	-	60,789
Total revenues, gains and other support	1,410,386	28,039	1,438,425
EXPENSES			
Program services	1,748,361	-	1,748,361
Supporting services			
Management and general	325,793	-	325,793
Fundraising	279,541	-	279,541
Total expenses	2,353,695	-	2,353,695
Change in net assets	(943,309)	28,039	(915,270)
NET ASSETS			
Beginning of year	2,542,330	572,500	3,114,830
End of year	$ 1,599,021	$ 600,539	$ 2,199,560

See notes to financial statements.

THE EDIBLE SCHOOLYARD PROJECT

Statement of Activities
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Grants and contributions			
Foundation grants	$ 294,731	$ 430,500	$ 725,231
Individual donations	359,210	-	359,210
Special events	251,400	-	251,400
Corporate donations	124,475	-	124,475
Net assets released from restrictions	538,500	(538,500)	-
Total grants and contributions	1,568,316	(108,000)	1,460,316
Other income			
Investment return, net	123,671	-	123,671
Participation and tuition fees	31,248	-	31,248
Other income	20,031	-	20,031
Program revenue	36,921	-	36,921
Total other income	211,871	-	211,871
Total revenues, gains and other support	1,780,187	(108,000)	1,672,187
EXPENSES			
Program services	1,478,560	-	1,478,560
Supporting services			
Management and general	249,805	-	249,805
Fundraising	349,870	-	349,870
Total expenses	2,078,235	-	2,078,235
Change in net assets	(298,048)	(108,000)	(406,048)
NET ASSETS			
Beginning of year	2,840,378	680,500	3,520,878
End of year	$ 2,542,330	$ 572,500	$ 3,114,830

See notes to financial statements.

THE EDIBLE SCHOOLYARD PROJECT

Statements of Functional Expenses
Years Ended June 30, 2020 and 2019

2020

	Program Services	Management and General	Fundraising	Total
Salaries and employee benefits	$ 1,138,347	$ 156,279	$ 202,857	$ 1,497,483
Professional services	169,310	65,027	4,030	238,367
Food	156,053	-	-	156,053
Payroll taxes	77,933	10,573	14,001	102,507
Travel	70,552	1,372	999	72,923
Depreciation	43,647	12,530	4,987	61,164
Bad debt	-	50,000	-	50,000
Rent	31,007	5,632	4,409	41,048
Office expenses	17,212	11,601	10,844	39,657
Events	3,806	-	25,499	29,305
Bank charges	1,455	7,361	238	9,054
Program supplies	19,155	90	-	19,245
Dues and publications	11,855	3,336	1,177	16,368
In-kind	1,400	428	10,500	12,328
Equipment and furnishings	4,686	1,564	-	6,249
Equipment rental and maintenance	1,943	-	-	1,943
Total expenses	$ 1,748,361	$ 325,793	$ 279,541	$ 2,353,694

2019

	Program Services	Management and General	Fundraising	Total
Salaries and employee benefits	$ 1,013,467	$ 148,281	$ 229,077	$ 1,390,825
Professional services	151,876	49,866	46,534	248,276
Payroll taxes	65,820	9,669	14,840	90,329
Depreciation	50,696	5,940	5,464	62,100
Rent	40,246	6,976	9,447	56,669
Food	46,424	-	-	46,424
Office expenses	18,348	14,058	7,306	39,712
Travel	32,244	1,551	4,627	38,422
Events	1,738	-	31,330	33,068
In-kind	29,555	-	-	29,555
Dues and publications	11,384	1,903	1,167	14,454
Grants and contracts to others	14,000	-	-	14,000
Bank charges	388	9,537	78	10,003
Equipment and furnishings	2,280	2,024	-	4,304
Equipment rental and maintenance	94	-	-	94
Total expenses	$ 1,478,560	$ 249,805	$ 349,870	$ 2,078,235

See notes to financial statements.

THE EDIBLE SCHOOLYARD PROJECT

Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (915,270)	$ (406,048)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized and realized (gain) loss on investments	67,855	(32,179)
Allowance for doubtful accounts	50,000	-
Depreciation	61,164	62,100
Changes in operating assets and liabilities:		
Pledges receivable	269,396	415,873
Prepaid expenses	32,139	(29,522)
Accounts payable	(39,335)	(43,105)
Accrued liabilities	(21,708)	8,979
Net cash used in operating activities	(495,759)	(23,902)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(193,415)	(326,614)
Proceeds from sale or maturity of investments	274,872	607,625
Purchases of property and equipment	(5,712)	(23,710)
Net cash provided by investing activities	75,745	257,301
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	259,000	-
Net cash provided by financing activities	259,000	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(161,014)	233,399
CASH AND CASH EQUIVALENTS		
Beginning of year	503,339	269,940
End of year	$ 342,325	$ 503,339
SUPPLEMENTAL CASH FLOW INFORMATION		
Non-cash Investing Activities:		
Stock certificates donated	$ -	$ 7,586

See notes to financial statements.

THE EDIBLE SCHOOLYARD PROJECT

Notes to Financial Statements

1. NATURE OF OPERATIONS

June 30 (Organization) is a nonprofit public benefit corporation incorporated in California in 1996. The purpose of the Organization is to build and share a food curriculum for all schools that will become part of the core curriculum of every school in the country.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classification:

> **Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Organization's management and the board of directors.
>
> **Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization had no perpetual donor restrictions as of June 30, 2020 and 2019, respectively.
>
> Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increase or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures in the financial statements. Actual results could differ from such estimates.

Cash and cash equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents unless otherwise restricted or designated. The Organization places its cash and temporary cash investments with high credit quality institutions. Periodically, such deposits may be in excess of federally insured limits.

Investments - The Organization has reported its investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Investments received by gift are recorded at market value at the date of the donation. Unrealized gains and losses are included in the change in net assets.

Pledges receivable and contributions - Pledges receivable are recognized when the donor makes an unconditional promise to give to the Organization. A discount factor is necessary for an unconditional promise to give due in excess of one year to measure the contribution at present value. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. An allowance for doubtful accounts was recorded for $50,000 and $0 at June 30, 2020 and 2019, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment - The Organization capitalizes expenditures in excess of $1,500 for property and equipment at cost, and records donated equipment at the estimated fair market value at the date of donation. Routine repairs and maintenance are expensed as incurred. Property and equipment are depreciated over the following estimated useful lives of the related asset using the straight-line method.

	Lives
Office equipment and improvements	10 - 15 years
Equipment	3 - 5 years
Edible schoolyard garden	5 - 15 years
Website	3 years

Gifts in kind - The Organization receives donations of gifts in kind such as program supplies, food and beverages for special events and gift certificates. Gifts in kind received through donations are valued at fair market and are recorded as revenue at their fair value at the time the contribution is received. The Organization received gifts in kind, in the form of donated stock and auction items of $12,328 and $7,586, during the years ended June 30, 2020 and 2019, respectively.

Contributed services - No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization received approximately 12,600 and 2,000 volunteer hours during the years ended June 30, 2020 and 2019, respectively.

Functional allocation of expenses - The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and employee benefits	Time and effort
Professional services	Time and effort
Payroll taxes	Time and effort
Depreciation	Square footage
Rent	Square footage
Food	Time and effort
Office expenses	Square footage
Travel	Time and effort
Events	Time and effort
Program supplies	Time and effort
Dues and publications	Time and effort
Grants and contracts to others	Square footage
Bank charges	Time and effort
Equipment and furnishings	Square footage
Equipment rental and maintenance	Time and effort

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New accounting pronouncements – In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," and issued subsequent amendments to the initial guidance.

The updated Topic 606 guidance outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers and supersedes and replaces nearly all existing revenue recognition guidance, including industry-specific guidance. The authoritative guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The five steps are: (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; and (v) recognize revenue when or as each performance obligation is satisfied. The authoritative guidance applies to all contracts with customers except those that are within the scope of other topics in the FASB ASC. The authoritative guidance requires significantly expanded disclosures about revenue recognition and was initially effective for fiscal years and the interim periods within these fiscal years beginning on or after December 15, 2016.

In August 2015, the FASB issued ASU No. 2015-14 "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date." This standard defers for one year the effective date of ASU No. 2014-09. The deferral initially resulted in this standard being effective for years beginning on or after December 15, 2018, using either of two methods: (1) retrospective application of Topic 606 to each prior reporting period presented with the option to elect certain practical expedients as defined within Topic 606 or (2) retrospective application of Topic 606 with the cumulative effect of initially applying Topic 606 recognized at the date of initial application and providing certain additional disclosures as defined per Topic 606.

In June 2020, The FASB issued ASU No. 2020-05 "Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities." This standard is a deferral of the effective dates for ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" and ASU No. 2016-02, "Leases (Topic 842)." ASU 2020-05 permits private companies, private not-for-profit entities and public not-for-profit entities that have not yet issued their financial statements or made financial statements available for issuance as of June 3, 2020, to adopt ASC 606 for annual reporting periods beginning after December 15, 2019 and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Deferral is not mandatory and private entities may still elect to adopt ASC 606 in accordance with previous guidance. As the Organization had not yet made their financial statements available for issuance as of June 3, 2020, Management has elected to defer implementation of ASU 2014-09 and is currently assessing the impact this pronouncement will have on its financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases, which, along with subsequent amendments, modified lessee accounting guidance under ASC Topic 840. This guidance requires the Organization to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with terms more than twelve months. This ASU also requires disclosures enabling the users of financial statements to understand the amount, timing, and uncertainty of cash flows arising from leases. This new standard was initially to become effective for annual periods beginning after December 15, 2020.

In June 2020, The FASB issued ASU No. 2020-05 "Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities." This standard is a deferral of the effective dates for ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" and ASU No. 2016-02, "Leases (Topic 842)." In respect to Topic 842, the amendments in this Update defer the effective date of Leases for private entities (the "all other" category) to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Organization is currently evaluating the impact this pronouncement will have on its financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications - Certain prior year amounts have been reclassified to conform with current year financial statement presentation.

3. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30:

	2020	2019
Financial assets at year end:		
Cash	$ 342,325	$ 503,339
Pledges receivable	142,919	520,815
Investments	1,875,030	2,024,342
	2,360,274	3,048,496
Less amounts not available to be used within one year		
Net assets with donor restrictions	(600,539)	(572,500)
Financial assets available to meet general expenditures within one year	$ 1,759,735	$ 2,475,996

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $520,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

4. PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give, which have been made by donors, but not received yet. Accounts and pledges receivable consist of the following at June 30:

	2020	2019
Due within one year, net	$ 142,919	$ 520,815
Due one to five years	68,500	10,000
	$ 211,419	$ 530,815

5. FAIR VALUE MEASUREMENTS AND INVESTMENTS

The Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework 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 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

5. FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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 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. There have been no changes in the methodologies used at June 30, 2020 and 2019:

Fixed income securities: Certain corporate and government bonds are valued at the closing price reported in the active market in which the bond is traded.

Mutual funds: Valued at the net asset value (NAV) of shares, based on quoted market prices, held by the Organization at year-end.

Exchange traded funds: Valued at the NAV of shares, based on quoted market prices, held by the Organization at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization's management believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

5. FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at year end:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
2020				
Mutual funds	$ 1,458,820	$ -	$ -	$ 1,458,820
Exchange traded funds	287,604	-	-	287,604
Fixed income securities	-	128,606	-	128,606
	$ 1,746,424	$ 128,606	$ -	$ 1,875,030
2019				
Mutual funds	$ 1,652,689	$ -	$ -	$ 1,652,689
Exchange traded funds	219,402	-	-	219,402
Fixed income securities	-	152,251	-	152,251
	$ 1,872,091	$ 152,251	$ -	$ 2,024,342

Investment income has been classified as increases (decreases) in unrestricted net assets and was comprised of the following for the years ended June 30:

	2020	2019
Interest and dividend income	$ 81,538	$ 101,041
Net realized and unrealized gain (loss)	(67,264)	32,179
	$ 14,274	$ 133,220

Investment fees were $13,083 and $9,549 for the years ended June 30, 2020 and 2019 respectively and are included in net investment return.

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2020	2019
Website	$ 152,283	$ 152,283
Office equipment and improvements	91,016	91,016
Edible schoolyard garden	90,838	85,126
Equipment	19,327	19,327
	353,464	347,752
Less: Accumulated depreciation	(290,593)	(229,429)
	$ 62,871	$ 118,323

7. NOTE PAYABLE

During 2020, the Organization was approved for a loan in the amount of $259,000 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%. Loan payments will be deferred for borrowers who apply for loan forgiveness until SBA remits the borrower's loan forgiveness amount to the lender. If a borrower does not apply for loan forgiveness, payments are deferred 10 months after the end of the covered period between 8 weeks and 24 weeks. The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, there is no assurance that the Organization will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part.

8. NET ASSETS

Net assets with donor restrictions at June 30, are as follows:

Specific Purpose	2020	2019
Time restriction	$ 250,000	$ 270,000
Stockton project	226,172	229,000
Ramada restoration	40,606	-
Conference	30,000	60,000
Community engagement	16,011	-
Training	14,250	-
Academy	13,500	13,500
Lavender hillside	10,000	-
	$ 600,539	$ 572,500

Net assets released from net assets with donor restrictions for the years ended June 30, are as follows:

Specific Purpose	2020	2019
Stockton project	$ -	$ 96,000
Conference	30,000	-
Academy	-	2,000
Time restriction	20,000	440,500
Training	5,850	-
	$ 55,850	$ 538,500

9. INCOME TAXES

The Organization is exempt from federal taxes on income under Internal Revenue Code Section 501(c)(3) and is classified by the Internal Revenue Service as other than a private foundation. The Organization is exempt from state taxes under Section 23701(d) of the California Revenue and Taxation Code and therefore no provision for income taxes has been recorded.

The Organization has analyzed tax positions taken for filings with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial position, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions for the years ended June 30, 2020 and 2019, respectively.

As of June 30, 2020, periods subsequent to 2016 are subject to audit by various taxing authorities; however, there are currently no audits for any tax periods in progress.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively. The Organization has not recognized any interest and penalties for the years ended June 30, 2020 and 2019, respectively.

10. RELATED PARTY TRANSACTIONS

The Organization is party to the following transactions with Chez Panisse Restaurant (Restaurant), which is owned by the Organization's President.

> For events and fundraisers, the Organization makes supply orders through the Restaurant. Total orders made totaled $46,953 and $27,326 for the years ended June 30, 2020 and 2019, respectively. In addition, amounts payable to the Restaurant were $0 and $290 for the years ended June 30, 2020 and 2019, respectively.
>
> The Restaurant receives royalties for its branded dinnerware sold by the outside manufacturer. The Restaurant donates these royalties to the Organization, which have been included in corporate donations. Total royalties donated were $19,384 and $10,906 for the years ended June 30, 2020 and 2019, respectively.

The Organization's President receives honorariums for speaking and publishing engagements, which are then donated to the Organization. Total honorariums received by the Organization was $1,000 and $0 for the years ended June 30, 2020 and 2019, respectively.

11. RETIREMENT PLAN

The Organization's employees participate in a 403(b) defined contribution plan (Plan). The Plan is open to all employees for salary deferrals immediately. The Organization makes discretionary contributions to the Plan, which employees are eligible for after one year and 1,000 hours of service for the Organization. The Organization's contributions to the plan amounted to $59,188 and $43,031 for the years ended June 30, 2020 and 2019, respectively.

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Notes to Financial Statements

12. COMMITMENTS

The Organization leases a corporate office in Berkeley under operating leases and is a month to month lease. The lease requires monthly rental payments of $4,254. Total rent expense was $39,264 and $51,591 for the years ended June 30, 2020 and 2019, respectively.

13. CONCENTRATIONS

A concentration of the Organization's revenue was derived from four donors during the years ended June 30, 2020 and 2019. Revenues received from these donors were 33% or $540,000 and 30% or $505,800 for the years ended June 30, 2020 and 2019, respectively.

14. SUBSEQUENT EVENTS

Global pandemic - On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout the United States. The impact of this pandemic has been and will likely continue to be extensive in many aspects of society, which has resulted in and will likely continue to result in significant disruptions to the global economy, as well as business and capital markets around the world. In an effort to halt the outbreak of COVID-19, the United States has placed significant restrictions on travel and many businesses have announced extended closures which could adversely impact the Organization's operations. As of this date, we cannot reasonably estimate the remaining length or severity of this pandemic, or the extent to which the disruption may materially impact our financial position, activities, and cash flows in 2020. Management is actively working to identify and mitigate financial, operational, liquidity and mission-related risks related to this pandemic.

The Organization's management has reviewed the results of activities for the period of time from its year ended June 30, 2020 through April 16, 2021, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor subsequent events have occurred, the nature of which would require disclosure.