

**CALIFORNIA FOUNDATION  
FOR AGRICULTURE IN THE  
CLASSROOM**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED  
DECEMBER 31, 2019 AND 2018**

## **INDEPENDENT AUDITOR'S REPORT**

**Board of Directors  
California Foundation for Agriculture in the Classroom  
Sacramento, California**

We have audited the accompanying financial statements of California Foundation for Agriculture in the Classroom (Foundation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of 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 audits 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 Foundation'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.

Board of Directors  
California Foundation for Agriculture in the Classroom  
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*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Foundation for Agriculture in the Classroom as of December 31, 2019 and 2018 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gilbert CPAs

GILBERT CPAs  
Sacramento, California

June 10, 2020

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2019 AND 2018

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 248,203	\$ 175,570
Receivables	45,522	61,025
Prepaid expenses	<u>10,999</u>	<u>5,269</u>
Total current assets	304,724	241,864
<b>JIM HICKS ENDOWMENT</b>	517,819	517,819
<b>HENRY J. VOSS ENDOWMENT</b>	84,463	84,463
<b>MARKETABLE SECURITIES INVESTMENTS</b>	<u>1,035,542</u>	<u>885,994</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,942,548</u>	<u>\$ 1,730,140</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 88,856	\$ 73,497
Deferred revenue	<u>13,023</u>	<u>          </u>
Total current liabilities	<u>101,879</u>	<u>73,497</u>
<b>NET ASSETS:</b>		
Without donor restrictions	1,118,878	938,534
With donor restrictions	<u>721,791</u>	<u>718,109</u>
Total net assets	<u>1,840,669</u>	<u>1,656,643</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,942,548</u>	<u>\$ 1,730,140</u>

The accompanying notes are an integral part of these financial statements.

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>PUBLIC SUPPORT AND REVENUE:</b>		
Contributions	\$ 610,979	\$ 627,400
Investment income (loss)	258,301	(65,025)
Service agreement income	129,310	72,618
Special event revenue (net of direct benefits of \$15,035 and \$11,375)	87,742	72,209
Program fees	29,040	57,215
Grant income	32,060	52,977
Other income	57	140
Subtotal	1,147,489	817,534
Net assets released from restrictions	131,318	78,605
Total unrestricted public support and revenue	1,278,807	896,139
 <b>EXPENSES:</b>		
Program services:		
Classroom support	387,880	338,232
Conferences	198,095	250,625
County Farm Bureau support	61,232	65,662
Other program services	198,723	184,019
Total program services	845,930	838,538
Support services:		
Promotion and fundraising	212,048	221,464
Management and general	40,485	38,954
Total support services	252,533	260,418
Total expenses	1,098,463	1,098,956
 <b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	180,344	(202,817)
 <b>NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Contributions	135,000	125,000
Net assets released from restrictions	(131,318)	(78,605)
 <b>INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	3,682	46,395
 <b>INCREASE (DECREASE) IN NET ASSETS</b>	184,026	(156,422)
 <b>NET ASSETS, Beginning of year</b>	1,656,643	1,813,065
 <b>NET ASSETS, End of year</b>	\$ 1,840,669	\$ 1,656,643

The accompanying notes are an integral part of these financial statements.

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2019

	Program Services			Supporting Services			<u>Total</u>
	<u>Classroom Support</u>	<u>Conferences</u>	<u>County Farm Bureau Support</u>	<u>Other Program Services</u>	<u>Promotion and Fundraising</u>	<u>Mgmt. and General</u>	
Salaries	\$ 154,805	\$ 62,418	\$ 18,690	\$ 50,978	\$ 44,698	\$ 21,243	\$ 352,832
Professional services	18,350	1,830	524	1,392	84,381	620	107,097
Payroll taxes and employee benefits	45,444	18,325	5,487	14,966	13,123	6,239	103,584
Conferences and meetings	4,482	88,618				3,273	96,373
Service agreements				81,996			81,996
Management fee	21,750	9,600	2,750	7,300	5,350	3,250	50,000
Occupancy	21,228	9,370	2,684	7,125	5,222	3,172	48,801
Fundraising events					32,941		32,941
Office expenses	23,820	4,072	5,320	3,097	2,611	1,379	40,299
Educational materials printing	38,800						38,800
Grant work				28,932			28,932
Writing contest	25,068						25,068
County Farm Bureau support			24,321				24,321
Fundraising mailings					21,570		21,570
Travel	8,750	3,862	1,106	2,937	2,152	1,309	20,116
Information technology	12,245						12,245
Grants to organizations	9,738						9,738
Grants to individuals	2,400						2,400
Other	1,000		350				1,350
<b>Total</b>	<b><u>\$ 387,880</u></b>	<b><u>\$ 198,095</u></b>	<b><u>\$ 61,232</u></b>	<b><u>\$ 198,723</u></b>	<b><u>\$ 212,048</u></b>	<b><u>\$ 40,485</u></b>	<b><u>\$ 1,098,463</u></b>

The accompanying notes are an integral part of these financial statements.

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services			<u>Total</u>
	<u>Classroom Support</u>	<u>Conferences</u>	<u>County Farm Bureau Support</u>	<u>Other Program Services</u>	<u>Promotion and Fundraising</u>	<u>Mgmt. and General</u>	
Salaries	\$ 131,653	\$ 55,922	\$ 15,239	\$ 44,095	\$ 41,066	\$ 20,317	\$ 308,292
Professional services	16,283	1,870	491	1,324	91,906	639	112,513
Payroll taxes and employee benefits	36,092	15,330	4,178	12,088	11,258	5,569	84,515
Conferences and meetings	4,777	149,031				2,703	156,511
Service agreements				66,233			66,233
Management fee	21,100	10,100	2,650	7,150	5,550	3,450	50,000
Occupancy	20,433	9,781	2,566	6,924	5,374	3,340	48,418
Fundraising events					37,166		37,166
Office expenses	17,563	4,288	7,233	3,035	3,306	1,465	36,890
Educational materials printing	32,268						32,268
Grant work				40,125			40,125
Writing contest	23,541						23,541
County Farm Bureau support			31,826				31,826
Fundraising mailings					23,474		23,474
Travel	8,988	4,303	1,129	3,045	2,364	1,471	21,300
Information technology	11,654						11,654
Grants to organizations	10,430						10,430
Grants to individuals	2,450						2,450
Other	1,000		350				1,350
<b>Total</b>	<b><u>\$ 338,232</u></b>	<b><u>\$ 250,625</u></b>	<b><u>\$ 65,662</u></b>	<b><u>\$ 184,019</u></b>	<b><u>\$ 221,464</u></b>	<b><u>\$ 38,954</u></b>	<b><u>\$ 1,098,956</u></b>

The accompanying notes are an integral part of these financial statements.

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2019 AND 2018

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	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 184,026	\$ (156,422)
Reconciliation to net cash provided by operating activities:		
(Gain) loss on marketable securities investments	(184,605)	152,739
Changes in:		
Receivables	15,503	25,962
Prepaid expenses	(5,730)	(2,165)
Accounts payable and accrued expenses	15,359	(7,786)
Deferred revenue	13,023	
Net cash provided by operating activities	<u>37,576</u>	<u>12,328</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of marketable securities investments	(648,880)	(459,332)
Proceeds from sales of marketable securities investments	<u>683,937</u>	<u>516,704</u>
Net cash provided by investing activities	<u>35,057</u>	<u>57,372</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	72,633	69,700
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<u>175,570</u>	<u>105,870</u>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<u>\$ 248,203</u>	<u>\$ 175,570</u>



# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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### 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

California Foundation for Agriculture in the Classroom (Foundation) is a not-for-profit organization incorporated under the laws of the State of California. The purpose of the Foundation is to provide training and resources to California's educators to build an increased awareness and understanding of agriculture among their students.

**Basis of presentation** – The financial statements are presented in conformity with professional standards applicable to not-for-profit entities. The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Income taxes** – The Foundation is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and from state income tax under Section 23701(d) of the California Revenue and Taxation Code and is not classified as a private foundation. Accordingly, no provision for income taxes has been made in the financial statements. The Foundation has applied the accounting principles related to the accounting for uncertainty in income taxes and has determined there is no material impact on the financial statements. With some exceptions, the Foundation is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2015.

**Revenue recognition** – Contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Restricted contributions that are initially classified as conditional whose restrictions and conditions are met in the same reporting period are reported as revenue within net assets without donor restrictions.

The Foundation's grant income is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Foundation received cost-reimbursable grants of \$81,531 that have not been recognized at December 31, 2019 because qualifying expenditures have not yet been incurred. There were no refundable advances at December 31, 2019 or 2018.

The Foundation's revenue from contracts with customers consist of service agreement income and program fees. These revenues are recognized at the point in time the specific performance obligations are met, as outlined in the agreements. Payment terms are outlined in the agreements and vary based on the objectives and structure of the contracts.

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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**Cash and cash equivalents** – The Foundation considers all investments with maturity at purchase of three months or less to be cash equivalents. Cash and cash equivalents include funds invested in money market accounts.

The Foundation minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and management believes the Foundation is not exposed to any significant credit risk related to cash.

The Foundation maintains cash in money market funds and short-term investments. Amounts invested may exceed the limits of S.I.P.C. protection.

**Marketable securities and endowment investments** – The Foundation reports its marketable securities and endowment investments at fair market value. Changes in market value and realized gains and losses are included in investment income.

**Property and equipment** – The Foundation capitalizes all expenditures for property and equipment in excess of \$2,500. Property and equipment are recorded at cost, with the exception of donated items, which are recorded at fair value at the time of the donation. Assets are depreciated using the straight-line method over estimated useful lives. Property and equipment was fully depreciated at December 31, 2019 and 2018.

**Donated goods** – The Foundation receives goods from various contributors. These contributions are recognized for financial statement reporting purposes as contributions and expenses in accordance with generally accepted accounting principles.

**Functional allocation of expenses** – The costs of providing the program and supporting services have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs require allocation based on the estimated usage of resources. The expenses that are allocated include salaries, which are allocated based on time and effort; payroll taxes and employee benefits, which are allocated based on salaries; and occupancy, office expenses and management fees, which are allocated based on estimated usage and time spent in support of each program. All other cost allocations are based on specific identification.

**Use of estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fair value measurements** – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

- Level 1 Inputs      Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 Inputs      Inputs other than quoted prices in active markets that are observable either directly or indirectly.
- Level 3 Inputs      Unobservable inputs for the asset or liability.

The Foundation's marketable securities and endowment investments at December 31, 2019 and 2018 are classified as Level 1 because they are valued using quoted market prices in active markets for identical assets.

**Recent Accounting Pronouncement** – In May 2014, the Financial Accounting Standards Board (FASB) issued Topic 606, *Revenue from Contracts with Customers*. The new accounting standard develops a common standard that will remove inconsistencies in revenue requirements, improve comparability of revenue recognition practices, provide more useful information to users of financial statements and simplify the preparation of financial statements. The Foundation has implemented Topic 606 effective January 1, 2019 for all open contracts with no effect on beginning net assets.

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new accounting standard clarifies and improves the guidance for (1) evaluating whether transactions should be accounted for as contributions within the scope of Topic 958 or as exchange transactions subject to other guidance and (2) determining whether a contribution is conditional. The Foundation has implemented this accounting standard in the accompanying financial statements effective January 1, 2019 under the modified prospective basis. Accordingly, there is no effect on beginning net assets in connection with the implementation of ASU 2018-08.

**Subsequent events** have been reviewed through June 10, 2020, the date the financial statements were available to be issued. As a result of the spread of the COVID-19, economic uncertainties have arisen which may negatively impact investment income and other revenue sources. However, the potential financial impact and duration resulting from COVID-19 are unknown at this time.

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

### 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 248,203	\$ 175,570
Receivables	45,522	61,025
Marketable securities investments	<u>1,035,542</u>	<u>885,994</u>
Total financial assets	1,329,267	1,122,589
Less:		
Amounts unavailable for general expenditure within one year due to:		
Restrictions by donors for purpose (see Note 6)	<u>(119,509)</u>	<u>(115,827)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,209,758</u>	<u>\$ 1,006,762</u>

The Financial Services Department reviews the cash balances on a daily basis. On a weekly basis, staff reviews the cash balances and the projected cash needs for the following week to assure that sufficient cash on hand is available to meet cash needs for general expenditures. As part of its liquidity management, the Foundation invests cash in excess of daily requirements in various short-term investments with Level 1 fair-value measurements using quoted market prices in active markets that can be liquidated at any time to meet cash needs. In addition, a portion of the investment portfolio is invested in short-term high-grade commercial paper, certificate of deposit or US Treasury Bills with coupon amounts of \$50,000 and \$100,000 and maturity dates laddering approximately every three months. At each maturity date, the Foundation determines if it will use the proceeds from the maturing note to meet general expenditures or reinvest them in another short-term note. The Foundation maintains cash and short-term investments on hand, net of permanent donor-restricted endowments not available for general expenditures, to meet one year of normal operating expenses of approximately \$1 million.

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

### 3. MARKETABLE SECURITIES AND ENDOWMENT INVESTMENTS

Marketable securities and endowment investments consist of the following:

	<u>2019</u>	<u>2018</u>
<b>Certificates of deposit and money market funds</b>	\$ 100,234	\$ 298,610
<b>U.S. Government Securities</b>	99,874	
<b>Equity Mutual Funds:</b>		
Large Cap	341,108	319,868
Int'l Large Cap Growth	236,327	43,652
Mid Cap	174,808	161,460
Global Equity	104,731	221,495
Emerging Markets	93,041	30,135
Small Cap	89,235	73,002
Real Estate	31,397	29,008
Natural Resources	17,184	13,448
<b>Fixed Income Mutual Funds:</b>		
Short Term Bond	168,304	169,086
Global Income	164,321	113,844
Commodities	17,260	14,668
	<u>\$ 1,637,824</u>	<u>\$ 1,488,276</u>

Investment income (loss) consists of the following:

	<u>2019</u>	<u>2018</u>
Dividends and interest	\$ 73,696	\$ 87,714
Net realized/unrealized gain (loss)	<u>184,605</u>	<u>(152,739)</u>
Total	<u>\$ 258,301</u>	<u>\$ (65,025)</u>

### 4. RELATED PARTY TRANSACTIONS

The Foundation is affiliated with California Farm Bureau Federation (CFBF) through common control. During the years ended December 31, 2019 and 2018, the Foundation had the following transactions with CFBF:

	<u>2019</u>	<u>2018</u>
Cash contributions/sponsorships from CFBF	\$ 100,000	\$ 100,000
Payments to CFBF for management service	50,000	50,000
Lease payments to CFBF for office space	48,801	48,418

Foundation employees also participate in certain employee benefits such as health, life, and dental insurance provided through CFBF, and reimbursed by the Foundation.

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

### 5. ACCRUED COMPENSATED ABSENCES

Accrued compensated absences are based upon the number of hours of earned but unused vacation and personal time at the end of the fiscal year at the pay rate in effect on that date. Accrued compensated absences were \$23,316 and \$19,328 at December 31, 2019 and 2018, respectively. Such amounts are included in accounts payable and accrued expenses on the statements of financial position.

### 6. NET ASSETS

Net assets with donor restrictions represent unexpended contributions restricted by donors as follows:

	<u>2019</u>	<u>2018</u>
Purpose restrictions:		
Taste and Teach Sponsorship	\$ 102,580	\$ 71,522
Henry J. Voss Endowment – funds available at the discretion of Board of Directors for program costs	53,927	53,927
Writing Contest	11,929	24,305
Curriculum Sponsorship		15,000
Farm Day	<u>5,000</u>	<u>5,000</u>
Total purpose restrictions	<u>173,436</u>	<u>169,754</u>
Perpetual restrictions:		
Jim Hicks Endowment	517,819	517,819
Henry J. Voss Endowment	<u>30,536</u>	<u>30,536</u>
Total perpetual restrictions	<u>548,355</u>	<u>548,355</u>
Total	<u>\$ 721,791</u>	<u>\$ 718,109</u>

The Foundation's endowments include donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's endowments classified as perpetual in nature, include: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowments, and (c) appropriations of endowment assets to fund donor-approved expenditures. These net assets are restricted by donors to investment in perpetuity, the income from which is expendable for various programs consistent with the purposes of the Foundation.

Donor restricted endowment funds which are not required to be held in perpetuity shall be held and invested unless the donor specifically authorizes and directs the Board of Directors to access the principal if the Board determines that circumstances exist which necessitate the utilization of the principal for ongoing operations and the maintenance of the viability of the Foundation.

Under the endowment investment policy, the primary investment objectives are to preserve principal, to provide a dependable and reasonable rate of return consistent with appropriate investment risk, and to maximize income within a framework of moderate risk assumption.

# CALIFORNIA FOUNDATION FOR AGRICULTURE IN THE CLASSROOM

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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### 7. RETIREMENT PLAN

The Foundation provides retirement benefits for its employees through its participation in the California Farm Bureau Federation Controlled Group 401(k) Retirement Plan (Plan), a defined contribution plan, in which a discretionary profit-sharing contribution as well as a matching contribution are made. The Foundation contributes to the Plan at a rate of 4% of the employee's total compensation and matches employee contributions up to 3% of their compensation.

Total contributions to the retirement plan charged to expense were \$19,648 and \$3,075 for the years ended December 31, 2019 and 2018, respectively.