

THE FAMILY GIVING TREE

MARCH 31, 2013 AND 2012

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

The Family Giving Tree

Independent Auditors' Report and Financial Statements

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Independent Auditors' Report

THE BOARD OF DIRECTORS
THE FAMILY GIVING TREE
Milpitas, California

Report on the Financial Statements

We have audited the accompanying financial statements of **The Family Giving Tree (the Organization)** which comprise the statements of financial position as of March 31, 2013 and 2012, 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.

Auditors' 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 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 auditors' 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.

Consultants and

Business Advisors

100 First Street

14th Floor

San Francisco

CA 94105

415.781.0793

fax 415.421.2976

60 S. Market Street

Suite 200

San Jose

CA 95113

408.998.8400

fax 408.998.8485



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 Family Giving Tree as of March 31, 2013 and 2012, 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.

Hood & Strong LLP

San Jose, California
July 10, 2013

The Family Giving Tree

Statement of Financial Position

<i>March 31,</i>	2013	2012
Assets		
Current Assets:		
Cash and cash equivalents	\$ 795,231	\$ 745,225
Investments	148,560	141,546
Prepaid expenses and other current assets	28,903	25,041
Total current assets	972,694	911,812
Property and Equipment, net	120,816	156,067
Other Assets:		
457(f) plan assets	107,371	103,071
Deposit	7,850	8,880
Total other assets	115,221	111,951
	\$ 1,208,731	\$ 1,179,830
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 20,194	\$ 26,456
Accrued payroll	39,368	31,139
Total current liabilities	59,562	57,595
Long-Term Liabilities:		
457(f) plan payable	107,371	103,071
Total liabilities	166,933	160,666
Net Assets:		
Unrestricted:		
Designated by the Board (See Note 5):		
Operating reserves	600,000	600,000
Holiday Gift Purchase Fund	100,000	100,000
Backpack Purchase Fund	75,000	75,000
National Expansion Fund	50,000	50,000
Undesignated	216,798	194,164
Total unrestricted net assets	1,041,798	1,019,164
Total liabilities and net assets	\$ 1,208,731	\$ 1,179,830

The accompanying notes are an integral part of these statements.

The Family Giving Tree

Statement of Activities

<i>Years Ended March 31,</i>	2013	2012
	(All Unrestricted)	(All Unrestricted)
Revenues:		
Donated gifts	\$ 2,239,072	\$ 2,326,009
Individual contributions	948,733	881,134
Corporate contributions	657,855	555,430
Donated facilities	378,014	202,824
Foundation grants	226,400	75,560
Donated services	81,600	123,982
Investment income	10,474	6,263
Miscellaneous income	804	7,900
Total revenues	4,542,952	4,179,102
Expenses:		
Program services		
Holiday Wish Program	2,573,234	2,667,041
Back-to-School Backpack Program	1,353,943	1,100,213
Total program services	3,927,177	3,767,254
Supporting services		
Management and general	294,710	310,478
Fundraising	298,431	240,772
Total supporting services	593,141	551,250
Total expenses	4,520,318	4,318,504
Change in Net Assets	22,634	(139,402)
Net Assets, beginning of year	1,019,164	1,158,566
Net Assets, end of year	\$ 1,041,798	\$ 1,019,164

The accompanying notes are an integral part of these statements.

The Family Giving Tree

Statement of Functional Expenses

Year Ended March 31, 2013 (with comparative totals for 2012)

	Program Services			Supporting Services			Total	
	Holiday Wish Program	Back-to-School Backpack Program	Total	Management and General	Fundraising	Total	2013	2012
Salaries	\$ 385,123	\$ 194,197	\$ 579,320	\$ 100,494	\$ 132,479	\$ 232,973	\$ 812,293	\$ 715,148
Employee benefits	54,581	27,522	82,103	14,242	18,776	33,018	115,121	130,811
Payroll taxes	32,580	16,428	49,008	8,501	11,208	19,709	68,717	63,467
Pension plan contributions	10,735	5,413	16,148	2,801	3,693	6,494	22,642	22,614
Total salaries and related expenses	483,019	243,560	726,579	126,038	166,156	292,194	1,018,773	932,040
Donated gifts distributed	1,499,685	739,387	2,239,072				2,239,072	2,326,009
Purchased gifts distributed	81,705	162,405	244,110				244,110	172,364
Total gifts distributed	1,581,390	901,792	2,483,182				2,483,182	2,498,373
Outside services	138,979	70,080	209,059	60,839	47,808	108,647	317,706	375,654
Donated facilities	179,223	90,374	269,597	46,766	61,651	108,417	378,014	202,824
Supplies	39,783	8,548	48,331	18,884		18,884	67,215	53,331
Printing and publications	67,245		67,245	1,241		1,241	68,486	63,493
Travel	10,383	4,217	14,600	8,217		8,217	22,817	20,223
Occupancy	12,628	6,368	18,996	3,296	4,344	7,640	26,636	34,984
Dues and subscriptions	170	86	256	44	59	103	359	3,791
Small equipment	1,465	739	2,204	382	504	886	3,090	15,415
Postage and shipping	6,714	1,857	8,571	381		381	8,952	9,066
Training	172	70	242	15,035		15,035	15,277	9,746
Bank fees	6,932	3,495	10,427	1,809	2,385	4,194	14,621	6,501
Telephone	5,259	2,652	7,911	1,373	1,809	3,182	11,093	7,224
Insurance	4,960	2,501	7,461	1,295	1,706	3,001	10,462	8,447
Miscellaneous	147	74	221	38	50	88	309	185
Total expenses before depreciation	2,538,469	1,336,413	3,874,882	285,638	286,472	572,110	4,446,992	4,241,297
Depreciation	34,765	17,530	52,295	9,072	11,959	21,031	73,326	77,207
Total expenses	\$ 2,573,234	\$ 1,353,943	\$ 3,927,177	\$ 294,710	\$ 298,431	\$ 593,141	\$ 4,520,318	\$ 4,318,504
Percentage of total	56.9%	30.0%	86.9%	6.5%	6.6%	13.1%	100.0%	

The accompanying notes are an integral part of these statements.

The Family Giving Tree

Statement of Functional Expenses

Year Ended March 31, 2012

	Program Services			Supporting Services			Total
	Holiday Wish Program	Back-to-School Backpack Program	Total	Management and General	Fundraising	Total	2012
Expenses:							
Salaries	\$ 328,968	\$ 173,066	\$ 502,034	\$ 107,272	\$ 105,842	\$ 213,114	\$ 715,148
Employee benefits	60,173	31,656	91,829	19,622	19,360	38,982	130,811
Payroll taxes	29,195	15,359	44,554	9,520	9,393	18,913	63,467
Pension plan contributions	10,402	5,473	15,875	3,392	3,347	6,739	22,614
Total salaries and related expenses	428,738	225,554	654,292	139,806	137,942	277,748	932,040
Donated gifts distributed	1,710,256	615,753	2,326,009				2,326,009
Purchased gifts distributed	95,032	77,332	172,364				172,364
Total gifts distributed	1,805,288	693,085	2,498,373				2,498,373
Outside services	163,831	86,189	250,020	72,923	52,711	125,634	375,654
Donated facilities	93,299	49,083	142,382	30,424	30,018	60,442	202,824
Supplies	29,263	5,633	34,896	18,435		18,435	53,331
Printing and publications	62,417	696	63,113	380		380	63,493
Travel	8,680	3,097	11,777	8,446		8,446	20,223
Occupancy	18,471	7,400	25,871	4,587	4,526	9,113	34,984
Dues and subscriptions	93	49	142	3,619	30	3,649	3,791
Small equipment	4,760	3,575	8,335	6,270	810	7,080	15,415
Postage and shipping	4,936	1,502	6,438	2,628		2,628	9,066
Training	1,465	256	1,721	8,025		8,025	9,746
Bank fees	2,991	1,573	4,564	975	962	1,937	6,501
Telephone	3,323	1,748	5,071	1,084	1,069	2,153	7,224
Insurance	3,886	2,044	5,930	1,267	1,250	2,517	8,447
Miscellaneous	85	45	130	28	27	55	185
Total expenses before depreciation	2,631,526	1,081,529	3,713,055	298,897	229,345	528,242	4,241,297
Depreciation	35,515	18,684	54,199	11,581	11,427	23,008	77,207
Total functional expenses	\$ 2,667,041	\$ 1,100,213	\$ 3,767,254	\$ 310,478	\$ 240,772	\$ 551,250	\$ 4,318,504
Percentage of total	61.7%	25.5%	87.2%	7.2%	5.6%	12.8%	100.0%

The accompanying notes are an integral part of these statements.

The Family Giving Tree

Statement of Cash Flows

<i>Years Ended March 31,</i>	2013	2012
Cash Flows from Operating Activities:		
Change in net assets	\$ 22,634	\$ (139,402)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation and amortization	73,326	77,207
Donated gifts received	(2,239,072)	(2,326,009)
Donated gifts distributed	2,239,072	2,326,009
Net unrealized gain on investments	(7,014)	(3,173)
Change in operating assets and liabilities:		
Prepaid expenses and other current assets	(3,862)	(4,758)
Deposits	1,030	
Accounts payable and accrued expenses	(6,262)	15,031
Accrued payroll	8,229	2,895
Net cash provided (used) by operating activities	88,081	(52,200)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(38,075)	(32,829)
Proceeds from sale of investments and maturities of certificates of deposit		152,639
Net cash (used) provided by investing activities	(38,075)	119,810
Net Change in Cash and Cash Equivalents	50,006	67,610
Cash and Cash Equivalents, beginning of year	745,225	677,615
Cash and Cash Equivalents, end of year	\$ 795,231	\$ 745,225

The accompanying notes are an integral part of these statements.

The Family Giving Tree

Notes to Financial Statements

Note 1 - Description of the Organization:

The Family Giving Tree (the Organization), is a California nonprofit public benefit organization formed in 1990 to help brighten the lives of children in the Greater San Francisco Bay Area and beyond. The Organization is dedicated to fulfilling the wishes of low-income children who would otherwise go without holiday gifts. The Organization also provides back-to-school backpacks to many children. These programs are funded by individuals, corporations, and nonprofit foundations.

The Organization's programs are described as follows:

Holiday Wish Program

The Organization works with approximately 300 social service agencies. These agencies supply the Organization with the names and wishes of the children they serve year-round. A wish card is printed for each child, detailing age, gender, first name and holiday gift wish. These wishes are then displayed at over 1,000 host companies and school locations, often on trees, in their lobbies and other public areas. It is the generosity of employers, employees, customers and students that make this program a success. By selecting a wish card, individuals pledge to purchase a gift for a child in need. In addition, the Organization maintains a Virtual Giving Tree on its website: www.familygivingtree.org. The Organization hosted approximately 6,700 volunteers in 120,000 square feet of donated warehouse space in December 2012 (5,300 volunteers in 85,000 square feet of donated warehouse space in December 2011) to wrap and distribute the children's gifts to the local agencies. During the years ended March 31, 2013 and 2012, the Organization provided holiday gifts to approximately 63,500 and 67,000 children, respectively.

The Organization also supported 682 low income children in Austin, Texas through a special outreach initiative during the most recent holiday drive.

Back-to-School Backpack Program

Using a similar method of operation, the Organization provided school supplies and backpacks to approximately 21,000 and 14,000 very-low income children in the fall of 2012 and 2011, respectively. The Organization hosted approximately 800 and 500 volunteers in August 2012 and 2011, respectively, to pack and distribute the children's backpacks.

The Family Giving Tree

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Accounting

The Organization's financial statements are prepared on the accrual basis of accounting.

b. Description of Net Assets

The Organization reports its financial position and operating activities in three classes of net assets:

Unrestricted Net Assets – include those assets not subject to donor imposed restrictions and over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Organization maintains an operating fund plus any net assets designated by the Board for specific purposes. The Organization has elected to report, as an increase in unrestricted net assets, any restricted revenue received in the current period for which the restrictions have been met in the current period.

Temporarily Restricted Net Assets – include those assets which are subject to a donor imposed restriction and for which the applicable timing or purpose restriction was not met as of the end of the current reporting period. At March 31, 2013 and 2012, there were no temporarily restricted net assets.

Permanently Restricted Net Assets – include those assets which are subject to a non-expiring donor imposed restriction, such as an endowment. At March 31, 2013 and 2012, there were no permanently restricted net assets.

c. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

d. Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less, and exclude donor restricted receipts, amounts designated for long-term purposes and amounts held for investment. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on these accounts.

The Family Giving Tree

Notes to Financial Statements

e. Investments

Investments are reported at fair value in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets.

f. Fair Value Measurements

The Organization follows the provisions of Accounting Standards Codification (ASC) Topic Section 820-10 in which fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820-10 established a fair value hierarchy which categorizes inputs into three levels as follows:

Level 1 Values are based on unadjusted quoted prices for identical assets or liabilities in active markets accessible at the measurement date.

Level 2 Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.

Level 3 Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

g. Inventory

It is the Organization's policy to make every effort to distribute its entire inventory to avoid warehouse costs and maximize the impact of its programs. Any gifts remaining in inventory at year end and during interim periods are valued based on a study of the retail-selling price of the gifts by category. In accordance with ASC 820-10, donated gifts inventory is classified as Level 2 (see Note 2f).

h. Property and Equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchased with a cost over \$1,000 is capitalized. The cost of repair and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets, which range from 3 to 15 years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

The Family Giving Tree

Notes to Financial Statements

i. Revenue Recognition

Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the nature of donor restrictions and depending on whether the restrictions are met in the current fiscal period. Temporarily restricted contributions are reported as increases in unrestricted net assets if the restrictions have been met in the current fiscal period. If the restriction has not been met by fiscal year end, the amount is reported as an increase in temporarily restricted net assets. When the restriction is finally met on a contribution received in a prior fiscal period, the amount is shown as a reclassification of temporarily restricted net assets to unrestricted net assets.

Donated gifts, facilities, professional services, materials and supplies, and equipment are recorded at their estimated fair value as of the date of the donation. The estimated fair value of the donated gifts is based on a study of the average retail-selling price of the 50 most distributed gifts. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered. The Organization also receives donated services that do not require specific expertise but which are nonetheless central to the Organization's operations. While these contributed services are not reflected in the financial statements, the estimated value of these services is disclosed in Note 6.

j. Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect expense allocations are allocated to program and supporting services based on an analysis of personnel time.

k. Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and exempt from state income taxes under various state codes and statutes of California, Texas, Washington and Oregon. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code.

The Organization follows ASC 740-10, *Income Taxes*, to account for uncertain tax positions. Management has concluded that the Organization has taken no uncertain tax positions that would require adjustment to the financial statements to comply with provisions of this guidance. With few exceptions, the Organization is no longer subject to tax examination by tax authorities for tax years before 2008.

The Family Giving Tree

Notes to Financial Statements

l. Advertising

The Organization's policy is to expense advertising costs as the costs are incurred.

m. Subsequent Events

The Organization evaluated subsequent events through July 10, 2013, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Note 3 - Investments:

The Organization has entered into an agreement with Silicon Valley Community Foundation (Foundation) to manage, hold in trust, and invest certain assets according to the Foundation's investment policy guideline. The funds are held in investment pools with 70% in long-term growth consisting of fixed income, domestic equity, foreign equity, alternative investments in hedged equity, absolute return and real asset funds and 30% in capital preservation pools consisting of money market mutual funds and bank certificates of deposit. Under the terms of the agreement, the principal and accumulated income and interest of the fund is at all times owned by the Organization. In addition, the Organization's Board of Directors may direct the expenditure of any or all of the principal or income from the fund. Investments with the Foundation are recorded at fair market value.

The Organization's investment is classified as a Level 2 investment (see Note 2f).

Note 4 - Property and Equipment:

The cost and related accumulated depreciation of property and equipment as of March 31, consisted of the following:

	2013	2012
Software	\$ 400,127	\$ 363,591
Furniture, fixtures and equipment	63,070	139,434
Leasehold improvements	17,928	17,928
	<hr/>	<hr/>
	481,125	520,953
Less: Accumulated depreciation and amortization	(360,309)	(364,886)
	<hr/>	<hr/>
	\$ 120,816	\$ 156,067

The Family Giving Tree

Notes to Financial Statements

Note 5 - Board Designated Net Assets:

a. Operating Reserves

The Organization has established a reserve to stabilize cash flow and cover any revenue shortfalls that occur because of grant delays and seasonal variation in fundraising receipts that do not meet budgeted expenditures. The reserve target is six months of budgeted operating expenses.

b. Holiday Gift Purchase Fund

This fund is used to purchase gifts which do not come in via direct individual donations. It is used each year in varying degrees depending on need.

c. Information Technology Development Fund

This fund is used to support the continued development of the wish card data base and the upgrade to the Organization's technology infrastructure.

d. Backpack Purchase Fund

This fund is used to pre-purchase school supply filled backpacks for approximately 14,000 very-low income students in the Back-to-School Drive. The remaining backpacks are provided by direct donations of backpacks by individuals who purchase them in stores.

e. National Expansion Fund

This fund will support the Organization's planned expansion of its Holiday Wish Program which started during the year ended March 31, 2009.

f. Capital Improvement Fund

This fund was established for short-term essential improvements designed to create a more efficient workplace. An analysis of long-term facility requirements has led the Organization to eliminate this fund.

The Family Giving Tree

Notes to Financial Statements

The following is an analysis of the change in unrestricted net assets, including Board designated reserves for the year ended March 31, 2013:

	March 31, 2012	Change in Net Assets	Funds (Utilized) Replenished	Reallocation	March 31, 2013
Operating reserves	\$ 600,000				\$ 600,000
Holiday Gift Purchase Fund	100,000				100,000
Backpack Purchase Fund	75,000				75,000
National Expansion Fund	50,000				50,000
Undesignated	194,164	\$ 22,634			216,798
	\$ 1,019,164	\$ 22,634	\$ 0	\$ 0	\$ 1,041,798

The following is an analysis of the change in unrestricted net assets, including Board designated reserves, and the application and reallocation of reserves to offset the fiscal year operating loss for the year ended March 31, 2012:

	March 31, 2011	Change in Net Assets	Funds (Utilized) Replenished	Reallocation	March 31, 2012
Operating reserves	\$ 728,523			\$ (128,523)	\$ 600,000
Holiday Gift Purchase Fund	150,000		\$ (50,000)		100,000
Information Technology Development Fund	50,000		(50,000)		
Backpack Purchase Fund	75,000				75,000
National Expansion Fund	50,000				50,000
Capital Improvement Fund	25,000			(25,000)	
Undesignated	80,043	\$ (139,402)	100,000	153,523	194,164
	\$ 1,158,566	\$ (139,402)	\$ 0	\$ 0	\$ 1,019,164

The Family Giving Tree

Notes to Financial Statements

Note 6 - In-kind Contributions:

During the years ended March 31, the following in-kind contributions were received by the Organization:

	2013	2012
Donated gifts	\$ 2,239,072	\$ 2,326,009
Donated facilities:		
Warehouse usage	314,139	96,139
Office usage	63,875	106,685
<u> Total donated facilities</u>	<u>378,014</u>	<u>202,824</u>
Professional services	81,600	123,982
<u>Total in-kind contributions</u>	<u>\$ 2,698,686</u>	<u>\$ 2,652,815</u>

The Organization also receives donated services that do not require specific expertise but which are nonetheless central to the Organization's operations. The total volunteer hours for the year ended March 31, 2013 and 2012 were approximately 17,100 and 12,600, respectively. The estimated value of these services for the years ended March 31, 2013 and 2012, based on the estimated dollar value of volunteer time calculated by Independent Sector, amounts to approximately \$379,400 and \$275,000, respectively. In accordance with GAAP the value of these services is not reflected in the financial statements.

The Family Giving Tree

Notes to Financial Statements

Note 7 - Retirement Plans:

During the years ended March 31, 2013 and 2012, the Organization sponsored two defined contribution retirement plans.

SIMPLE IRA - an IRA-based plan that gives small employers a simplified method to make contributions toward their employees' retirement and their own retirement. Under a SIMPLE IRA plan, employees may choose to make salary reduction contributions and the employer makes matching or non-elective contributions. All contributions are made directly to an Individual Retirement Account or Individual Retirement Annuity (IRA) set up for each employee (a SIMPLE IRA). SIMPLE IRA plans are maintained on a calendar-year basis. The SIMPLE IRA plan was established to cover all full-time employees who elect to participate in the plan. For fiscal years ended March 31, 2013 and 2012 there were employer contributions made for eligible participants of the SIMPLE IRA Plan in the amounts of \$22,643 and \$22,614, respectively.

457(f) Plan - a defined contribution plan which qualifies under Section 457(f) of the Internal Revenue code. The Plan was started on August 5, 2009 and covers the Executive Director. The amount of contribution made each plan year is totally within the Organization's discretion and may be zero in some years. For the fiscal years ended March 31, 2013 and 2012, the Organization did not make contributions to the plan. The value of the plan assets as of March, 31, 2013 and 2012 was \$107,371 and \$103,071, respectively.

Note 8 - Contingencies:

Grants awarded to the Organization are subject to the funding agencies' criteria and agreement terms under which expenditures may be charged and are subject to audit. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the grants administered during the period.