

THE FAMILY GIVING TREE

MARCH 31, 2014 AND 2013

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, 2014 and 2013, 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.

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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, 2014 and 2013, 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
August 14, 2014

The Family Giving Tree

Statement of Financial Position

| <i>March 31,</i> | 2014 | 2013 |
|---|--------------|--------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 853,377 | \$ 795,231 |
| Investments | 161,114 | 148,560 |
| Prepaid expenses and other current assets | 25,129 | 28,903 |
| Total current assets | 1,039,620 | 972,694 |
| Property and Equipment, net | 101,267 | 120,816 |
| Other Assets: | | |
| 457(f) plan assets | 108,692 | 107,371 |
| Deposit | 7,850 | 7,850 |
| Total other assets | 116,542 | 115,221 |
| Total assets | \$ 1,257,429 | \$ 1,208,731 |
| Liabilities and Net Assets | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses | \$ 33,598 | \$ 20,194 |
| Accrued payroll | 35,030 | 39,368 |
| Total current liabilities | 68,628 | 59,562 |
| Long-Term Liabilities: | | |
| 457(f) plan payable | 108,692 | 107,371 |
| Total liabilities | 177,320 | 166,933 |
| 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 | 255,109 | 216,798 |
| Total unrestricted net assets | 1,080,109 | 1,041,798 |
| Total liabilities and net assets | \$ 1,257,429 | \$ 1,208,731 |

The accompanying notes are an integral part of these statements.

The Family Giving Tree

Statement of Activities

| <i>Years Ended March 31,</i> | 2014 | 2013 |
|--------------------------------------|---------------------|---------------------|
| | (All Unrestricted) | (All Unrestricted) |
| Revenues: | | |
| Donated gifts | \$ 2,394,205 | \$ 2,239,072 |
| Individual contributions | 1,049,449 | 948,733 |
| Corporate contributions | 738,867 | 657,855 |
| Donated facilities | 368,505 | 378,014 |
| Foundation grants | 193,500 | 226,400 |
| Donated services | 81,600 | 81,600 |
| Investment income | 15,836 | 10,474 |
| Miscellaneous income | | 804 |
| Total revenues | 4,841,962 | 4,542,952 |
| Expenses: | | |
| Program services: | | |
| Holiday Wish Program | 2,766,490 | 2,573,234 |
| Back-to-School Backpack Program | 1,457,324 | 1,353,943 |
| Total program services | 4,223,814 | 3,927,177 |
| Supporting services: | | |
| Management and general | 304,888 | 294,710 |
| Fundraising | 274,949 | 298,431 |
| Total supporting services | 579,837 | 593,141 |
| Total expenses | 4,803,651 | 4,520,318 |
| Change in Net Assets | 38,311 | 22,634 |
| Net Assets, beginning of year | 1,041,798 | 1,019,164 |
| Net Assets, end of year | \$ 1,080,109 | \$ 1,041,798 |

The accompanying notes are an integral part of these statements.

The Family Giving Tree

Statement of Functional Expenses

Year Ended March 31, 2014 (with comparative totals for 2013)

| | Program Services | | | Supporting Services | | | Total | |
|-------------------------------------|-------------------------|------------------------------------|--------------|---------------------------|-------------|------------|--------------|--------------|
| | Holiday Wish Program | Back-to-School Backpack Program | Total | Management and General | Fundraising | Total | 2014 | 2013 |
| Salaries | \$ 327,594 | \$ 215,759 | \$ 543,353 | \$ 89,169 | \$ 149,367 | \$ 238,536 | \$ 781,889 | \$ 812,293 |
| Employee benefits | 51,980 | 34,235 | 86,215 | 14,149 | 23,701 | 37,850 | 124,065 | 115,121 |
| Payroll taxes | 27,790 | 18,303 | 46,093 | 7,564 | 12,671 | 20,235 | 66,328 | 68,717 |
| Pension plan contributions | 9,792 | 6,449 | 16,241 | 2,665 | 4,465 | 7,130 | 23,371 | 22,642 |
| Total salaries and related expenses | 417,156 | 274,746 | 691,902 | 113,547 | 190,204 | 303,751 | 995,653 | 1,018,773 |
| Donated gifts distributed | 1,700,507 | 693,698 | 2,394,205 | | | | 2,394,205 | 2,239,072 |
| Purchased gifts distributed | 121,608 | 289,498 | 411,106 | | | | 411,106 | 244,110 |
| Total gifts distributed | 1,822,115 | 983,196 | 2,805,311 | | | | 2,805,311 | 2,483,182 |
| Outside services | 128,999 | 84,961 | 213,960 | 58,006 | 58,818 | 116,824 | 330,784 | 317,706 |
| Donated facilities | 240,000 | 60,000 | 300,000 | 65,243 | | 65,243 | 365,243 | 378,014 |
| Supplies | 18,466 | 7,121 | 25,587 | 23,356 | | 23,356 | 48,943 | 67,215 |
| Printing and publications | 62,184 | 178 | 62,362 | 241 | | 241 | 62,603 | 68,486 |
| Travel | 8,821 | 5,848 | 14,669 | 10,569 | | 10,569 | 25,238 | 22,817 |
| Occupancy | 15,721 | 10,354 | 26,075 | 4,279 | 7,168 | 11,447 | 37,522 | 26,636 |
| Dues and subscriptions | 169 | 112 | 281 | 46 | 77 | 123 | 404 | 359 |
| Small equipment | 3,670 | 2,670 | 6,340 | 3,843 | 716 | 4,559 | 10,899 | 3,090 |
| Postage and shipping | 7,520 | 1,859 | 9,379 | 1,733 | | 1,733 | 11,112 | 8,952 |
| Training | 2,267 | 327 | 2,594 | 13,300 | 2 | 13,302 | 15,896 | 15,277 |
| Bank fees | 9,070 | 5,974 | 15,044 | 2,469 | 4,136 | 6,605 | 21,649 | 14,621 |
| Telephone | 3,485 | 2,295 | 5,780 | 949 | 1,589 | 2,538 | 8,318 | 11,093 |
| Insurance | 3,934 | 2,591 | 6,525 | 1,071 | 1,794 | 2,865 | 9,390 | 10,462 |
| Miscellaneous | 58 | 39 | 97 | 15 | 25 | 40 | 137 | 309 |
| Total expenses before depreciation | 2,743,635 | 1,442,271 | 4,185,906 | 298,667 | 264,529 | 563,196 | 4,749,102 | 4,446,992 |
| Depreciation | 22,855 | 15,053 | 37,908 | 6,221 | 10,420 | 16,641 | 54,549 | 73,326 |
| Total expenses | \$ 2,766,490 | \$ 1,457,324 | \$ 4,223,814 | \$ 304,888 | \$ 274,949 | \$ 579,837 | \$ 4,803,651 | \$ 4,520,318 |
| Percentage of total | 57.6% | 30.3% | 87.9% | 6.3% | 5.7% | 12.1% | 100.0% | |

The accompanying notes are an integral part of these statements.

The Family Giving Tree

Statement of Functional Expenses

Year Ended March 31, 2013

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

| <i>Years Ended March 31,</i> | 2014 | 2013 |
|---|-------------|-------------|
| Cash Flows from Operating Activities: | | |
| Change in net assets | \$ 38,311 | \$ 22,634 |
| Adjustments to reconcile change in net assets to cash provided by operating activities: | | |
| Depreciation and amortization | 54,549 | 73,326 |
| Donated gifts received | (2,394,205) | (2,239,072) |
| Donated gifts distributed | 2,394,205 | 2,239,072 |
| Net gain on investments | (12,554) | (7,014) |
| Change in operating assets and liabilities: | | |
| Prepaid expenses and other current assets | 3,774 | (3,862) |
| Deposits | | 1,030 |
| Accounts payable and accrued expenses | (10,902) | (6,262) |
| Accrued payroll | (4,338) | 8,229 |
| Net cash provided by operating activities | 68,840 | 88,081 |
| Cash Flows from Investing Activities: | | |
| Purchase of property and equipment | (10,694) | (38,075) |
| Net cash used by investing activities | (10,694) | (38,075) |
| Net Change in Cash and Cash Equivalents | 58,146 | 50,006 |
| Cash and Cash Equivalents, beginning of year | 795,231 | 745,225 |
| Cash and Cash Equivalents, end of year | \$ 853,377 | \$ 795,231 |
| Supplemental Disclosure | | |
| Interest paid | \$ 3,056 | \$ - |
| No payments for taxes were made during 2014 and 2013 | | |
| Non-cash Investing Activities | | |
| Acquisition of property and equipment included in accounts payable and accrued expenses | \$ 24,306 | \$ - |

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 5,100 volunteers in 120,000 square feet of donated warehouse space in December 2013 (6,700 volunteers in 120,000 square feet of donated warehouse space in December 2012) to wrap and distribute the children's gifts to the local agencies. During the years ended March 31, 2014 and 2013, the Organization provided holiday gifts to approximately 69,750 and 63,500 children, respectively.

During the years ending March 31, 2014 and 2013, the Organization also supported 682 low income children in Austin, Texas through a special outreach initiative.

Back-to-School Backpack Program

Using a similar method of operation as the Holiday Wish Program, the Organization provided school supplies and backpacks to approximately 25,600 and 21,000 very-low income children in the fall of 2014 and 2013, respectively. The Organization hosted approximately 750 and 800 volunteers in August 2014 and 2013, 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 in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

b. Description of Net Assets

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

Unrestricted Net Assets – 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 – 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, 2014 and 2013, there were no temporarily restricted net assets.

Permanently Restricted Net Assets – those assets which are subject to a non-expiring donor imposed restriction, such as an endowment. At March 31, 2014 and 2013, there were no permanently restricted net assets.

c. Use of Estimates

The preparation of financial statements in conformity with U.S. 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 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, *Fair Value Measurement* 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 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, donated gifts inventory is classified as Level 2 (see Note 2f). As of March 31, 2014 and 2013, the Organization did not have any remaining inventory.

The Family Giving Tree

Notes to Financial Statements

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.

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.

The Family Giving Tree

Notes to Financial Statements

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, *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 income tax examinations by federal authorities for years ending March 31, 2010 and before and by state authorities for years ending March 31, 2009 and before.

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 August 14, 2014, 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).

The Family Giving Tree

Notes to Financial Statements

Note 4 - Property and Equipment:

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

| | 2014 | 2013 |
|---|------------|------------|
| Software | \$ 435,127 | \$ 400,127 |
| Furniture, fixtures and equipment | 63,070 | 63,070 |
| Leasehold improvements | 17,928 | 17,928 |
| | <hr/> | <hr/> |
| | 516,125 | 481,125 |
| Less: Accumulated depreciation and amortization | (414,858) | (360,309) |
| | <hr/> | <hr/> |
| | \$ 101,267 | \$ 120,816 |

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. 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.

d. 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.

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:

| | 2014 | 2013 |
|-----------------------------|--------------|--------------|
| Donated gifts | \$ 2,394,205 | \$ 2,239,072 |
| Donated facilities: | | |
| Warehouse usage | 300,000 | 314,139 |
| Office usage | 68,505 | 63,875 |
| Total donated facilities | 368,505 | 378,014 |
| Professional services | 81,600 | 81,600 |
| Total in-kind contributions | \$ 2,844,310 | \$ 2,698,686 |

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, 2014 and 2013 were approximately 16,900 and 17,100, respectively. The estimated value of these services for the years ended March 31, 2014 and 2013, based on the estimated dollar value of volunteer time calculated by Independent Sector, amounts to approximately \$375,800 and \$379,400, respectively. In accordance with U.S. 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, 2014 and 2013, 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, 2014 and 2013 there were employer contributions made for eligible participants of the SIMPLE IRA Plan in the amounts of \$23,371 and \$22,643, 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, 2014 and 2013, the Organization did not make contributions to the plan. The value of the plan assets as of March, 31, 2014 and 2013 was \$108,692 and \$107,371, 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.