Family Giving Tree

Financial Statements
For the 13 Month Period Ended
April 30, 2017

Together with
Independent Auditors' Report

THE FAMILY GIVING TREE

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April 30, 2017

Robert Lee
& Associates, LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Family Giving Tree
Milpitas, California

We have audited the accompanying financial statements of The Family Giving Tree (the "Organization"), a California public benefit corporation, which comprise the statement of financial position as of April 30, 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the 13 month period from April 1, 2016 to April 30, 2017, 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 audit. We conducted our audit 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 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.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Board of Directors of
The Family Giving Tree
Milpitas, California

Opinion

In our opinion, the 2017 financial statements referred to above present fairly, in all material respects, the financial position of The Family Giving Tree as of April 30, 2017, and the results of its operations and its cash flows for the 13 month period from April 1, 2016 to April 30, 2017 in accordance with accounting principles generally accepted in the United States of America.

Robert Lee + Associates, LLP

San Jose, California
October 10, 2017

THE FAMILY GIVING TREE
Statement of Financial Position
April 30, 2017

ASSETS

Current assets:		
Cash and cash equivalents	$	653,720
Investments		172,371
Inventory		101,308
Prepaid expenses and other current assets		60,333
Total current assets		987,732
Property and equipment, net		190,583
Other assets:		
457(f) plan assets		112,497
Deposits		5,050
Total assets	$	1,295,862

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	$	18,695
Accrued payroll		64,161
Total current liabilities		82,856
Long-term liabilities:		
457(f) plan payable		112,497
Total liabilities		195,353
Contingencies		
Net assets:		
Unrestricted:		
Designated by the Board		
Operating reserves		700,000
Holiday gift purchase fund		100,000
Backpack purchase fund		100,000
Undesignated		168,009
Total unrestricted net assets		1,068,009
Temporarily restricted		32,500
Total net assets		1,100,509
Total liabilities and net assets	$	1,295,862

THE FAMILY GIVING TREE

Statement of Activities and Changes in Net Assets

For the 13 Month Period Ended April 30, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Donated gifts	$ 2,864,508	$ -	$ 2,864,508
Individual contributions	1,274,264	-	1,274,264
Corporate contributions	929,165	32,500	961,665
Donated facilities	252,296	-	252,296
Foundation grants	377,800	-	377,800
Investment income	15,599	-	15,599
Total revenue	5,713,632	32,500	5,746,132
Expenses:			
Program services			
Holiday Wish Program	3,002,658	-	3,002,658
Back-to-School			
Backpack Program	2,113,645	-	2,113,645
Total program services	5,116,303	-	5,116,303
Supporting services			
Management and general	591,547	-	591,547
Fundraising	361,039	-	361,039
Total supporting services	952,586	-	952,586
Total expenses	6,068,889	-	6,068,889
Change in net assets	(355,257)	32,500	(322,757)
Net assets, beginning of year	1,423,266	-	1,423,266
Net assets, end of year	$ 1,068,009	$ 32,500	$ 1,100,509

THE FAMILY GIVING TREE

Statement of Functional Expense

For the 13 Month Period Ended April 30, 2017

	Program Services			Supporting Services			
	Holiday Wish Program	Back-to-School Backpack Program	Program Total	Management and General	Fundraising	Supporting Total	Total
Compensation	$ 329,537	$ 340,810	$ 670,347	$ 310,395	$ 179,462	$ 489,857	$ 1,160,204
Retirement benefits	5,792	5,990	11,782	5,456	3,154	8,610	20,392
Other benefits	34,103	35,270	69,373	42,828	23,408	66,236	135,609
Payroll taxes	26,325	27,708	54,033	24,762	15,161	39,923	93,956
Total salaries and benefits	395,757	409,778	805,535	383,441	221,185	604,626	1,410,161
Grants	2,234,554	1,295,053	3,529,607	-	-	-	3,529,607
Professional fees	47,590	44,608	92,198	67,248	43,287	110,535	202,733
Donated rent & services	154,197	68,464	222,661	18,779	10,857	29,636	252,297
Advertising & promotion	76,622	72,548	149,170	13,354	(200)	13,154	162,324
Printing	3,248	114,047	117,295	523	286	809	118,104
Information technology	5,400	6,319	11,719	36,339	37,511	73,850	85,569
Occupancy	17,131	18,023	35,154	16,136	9,329	25,465	60,619
Program & office supplies	20,497	24,795	45,292	7,379	3,337	10,716	56,008
Travel	12,515	14,894	27,409	9,731	9,538	19,269	46,678
Depreciation	10,149	10,496	20,645	9,559	5,527	15,086	35,731
Bank & merchant fees	10,435	20,307	30,742	2,150	30	2,180	32,922
Insurance	9,048	9,358	18,406	8,523	4,928	13,451	31,857
Office expense	3,239	4,640	7,879	5,653	8,769	14,422	22,301
Conferences	2,276	315	2,591	12,732	6,655	19,387	21,978
Total expenses	$ 3,002,658	$ 2,113,645	$ 5,116,303	$ 591,547	$ 361,039	$ 952,586	$ 6,068,889
Percentage of total	49.5%	34.8%	84.3%	9.7%	5.9%	15.7%	100.0%

The accompanying notes are an integral part of these financial statements

THE FAMILY GIVING TREE

Statement of Cash Flows

For the 13 Month Period Ended April 30, 2017

Cash flows from operating activities:		
Change in net assets	$	(322,757)
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation and amortization		35,731
Donated gifts received		(2,864,508)
Donated gifts distributed		2,864,508
Net realized and unrealized gain on investments		(17,075)
Changes in operating assets and liabilities:		
Inventory		(78,855)
Prepaid expenses and other current assets		(28,904)
Deposits		2,244
Accounts payable and accrued expenses		4,046
Accrued payroll		(47,811)
Net cash used by operating activities		(453,381)
Cash flows from investing activities:		
Proceeds from sale of investments		1,546
Purchases of property and equipment		(177,546)
Net cash used by investing activities		(176,000)
Net decrease in cash and cash equivalents		(629,381)
Cash and cash equivalents, beginning of period		1,283,101
Cash and cash equivalents, end of period	$	653,720

Supplemental disclosure of cash flow information

Cash paid during the year for interest	$	40

The accompanying notes are an integral part of these financial statements

Note 1 - Organization and operations:

The Family Giving Tree (the "Organization"), a California non-profit public benefit organization founded in 1990, is dedicated to bringing hope and joy to underserved children and individuals. The Organization conducts two annual drives: a Back-to-School Drive and a Holiday Wish Drive. During its Back-to-School Drive, the Organization provides backpacks filled with grade-appropriate school supplies to K-12 students who qualify for the Federal Free and Reduced Price Meal Program. During its Holiday Wish Drive, the Organization fulfills the holiday gift wish of underserved children and individuals who might otherwise go without. These programs are funded through generous sponsorships and donations made by individuals, small businesses, corporations, and non-profit foundations.

The Organization changed its financial year end from March 31 to April 30 which is effective for the current financial period ended April 30, 2017.

The Organization's programs are classified as follows:

Holiday Wish Drive - Since its founding in 1990, the Organization has held a belief that no child should feel forgotten during the holidays. Delivering a wished-for gift to a child brings that individual joy and hope and delivers the priceless message, "You matter. You have value." The Organization works with more than 370 social services agencies (homeless shelters, community centers, rehabilitation houses and various non-profit organizations) and schools to support its Holiday Wish Drive. These agencies and schools supply the Organization with the name and specific wish of the children and individuals they serve year-round. A wish card is printed for each child and individual, detailing age, gender, first name, and specific gift wish. These wishes are then distributed to more than 1,100 volunteer Drive Leaders (individuals, social groups, and businesses) who display wish cards - often on holiday trees - in a public area, such as a business lobby. By selecting a wish card, an individual commits to purchase a gift to donate for those most underserved during the holidays.

The Organization hosted approximately 6,500 volunteers in 113,000 square feet of donated warehouse space in December 2016 where the donated gifts are then sorted, wrapped, and disbursed to the Organization's agency partners for distribution. In addition, the Organization maintains a Virtual Giving Tree on its website: www.FamilyGivingTree.org.

During the period ended April 30, 2017, the Organization provided holiday gifts to approximately 77,000 children.

Note 1 - Organization and operations (continued):

Back-to-School Drive - The Organization also holds the conviction that education is the most effect path out of poverty; and according to the US Census Bureau, almost one out of every four California children are currently living below the federal poverty line. Too often, these children arrive to school without the most basic school supplies and educational tools required for learning. The Organization's Back-to-School Drive aims to close the educational gap for children living in poverty, by providing backpacks filled with essential, grade-appropriate school supplies.

Using a similar method of operation, the Organization provided backpacks filled with essential, grade-appropriate school supplies - including STEM (science, technology, engineering, and mathematics) supplies - to approximately 39,000 K-12 students, who qualify for the Federal Free and Reduced Price Meal Program, during the period ended April 30, 2017. More than 410 Drive Leaders volunteered to assist in displaying backpack and school supply list cards to support the goal of the Back-to-School drive.

The Organization hosted approximately 1,400 volunteers in 28,000 square feet of donated warehouse space in August 2016 to sort, fill and distribute the backpacks to qualifying schools. Approximately 250 schools and nonprofit agencies received the filled backpacks for distribution to qualifying K-12 students.

Other program - The Organization also makes in-kind grants, from in-kind donations received, to other charitable organizations from surplus food and household items that are not able to be used in the Holiday Wish and Back-to-School Backpack Programs. Such donations were not material during the period ended April 30, 2017.

Note 2 - Summary of significant accounting policies:

Basis of accounting - The financial statements are prepared on the accrual basis of accounting which recognizes revenue and support when earned and expenses when incurred and accordingly reflect all significant payables, and other liabilities.

Note 2 - Summary of significant accounting policies (continued):

Basis of presentation - The Organization presents information regarding its financial position and activities according to three classes of net assets:

- *Unrestricted net assets* - represent 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* - represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or other restrictions and for which the applicable restriction was not met as of the end of the current reporting period. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities and Changes in Net Assets as assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted. Temporarily restricted net assets at April 30, 2017 was $32,500.
- *Permanently restricted net assets* - are restricted by the donor for investment in perpetuity, such as endowments. At April 30, 2017, there was no permanently restricted net assets.

Use of estimates - The preparation of financial statements 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents - Cash and cash equivalents consist of cash and money market funds. The Organization considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. The carrying amount in the Statement of Financial Position approximates fair value.

Investments - The Organization's investments are valued in accordance with Fair Value Measurements. The Organization may have risk associated with its concentration of investments in one geographic region and in certain industries.

Beneficial interest held-by-others - The Organization maintains beneficial interest held-by-others. These interests are estimated at fair value based on a percentage of interest in the portfolio. Because of the inherent uncertainty of valuations, however, these estimated fair values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Note 2 - Summary of significant accounting policies (continued):

Investments (continued) - *457(f) plan* - The Organization invests the 457(f) plan assets in marketable securities. All debt securities and equity securities are carried at quoted market prices as of the last trading date of the Organization's fiscal period. Gains and losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses resulting from sales or maturities are determined by comparison of costs of acquisition to proceeds at the time of disposal. Dividend and interest income are accrued when earned.

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 period end and during interim periods are valued at cost.

Property, equipment, depreciation and amortization - Purchased property and equipment are stated at cost. Acquisitions of property and equipment in excess of $1,000 are capitalized. Significant donated property and equipment is recorded at estimated fair value at the date of receipt. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 15 years. Leasehold improvements are amortized using the straight-line method over the lesser of the assets' estimated useful lives or the term of the applicable lease.

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. 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.

In-kind donations - Significant donated facilities, property, and equipment are recorded at estimated fair value at the date of receipt. The estimated fair value of the donated gifts is based on a study of the average retail-selling price of the most distributed gifts. A substantial number of volunteers have donated significant amounts of time in promoting the Organization's programs. These services do not require specific expertise but 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 7.

Note 2 - Summary of significant accounting policies (continued):

Functional expense allocations - The costs of providing the various program and supporting services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated, principally on a direct cost basis, among the classifications. Indirect expense allocations are allocated to program and supporting services based on an analysis of personnel time.

Fair value of financial instruments - Financial instruments included in the Organization's Statement of Financial Position as of April 30, 2017, include cash and cash equivalents, prepaid expenses, investments, 457(f) plan, accounts payable and accrued expenses. For cash and cash equivalents, and accounts payable and accrued expenses, the carrying amount approximates fair value due to its short maturity. Investments and 457(f) plan are reflected in the accompanying Statement of Financial Position at their estimated fair values using methodologies described below, see Note 3 and 8.

Accounting for uncertainty for income taxes - The Organization evaluates its uncertain tax positions and will recognize a loss contingency when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. As of April 30, 2017, management did not identify any uncertain tax positions.

The Organization is subject to potential examination by taxing authorities for income tax returns filed in the U.S. federal jurisdiction and the State of California. The tax years that remain subject to potential examination for the U.S. federal jurisdiction is December 31, 2013 and forward. The State of California tax jurisdiction is subject to potential examination for fiscal tax years December 31, 2012 and forward.

Advertising - Advertising costs are expensed as incurred. Advertising and marketing expense for the period ended April 30, 2017 was approximately $162,000.

Recently adopted accounting guidance - In August 2014, the Financial Accounting Standards Board ("FASB") issued FASB Accounting Standard Update ("ASU") No. 2014-15 "Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern" which requires management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. The new guidance is effective for non-public entities for the annual period ending after December 15, 2016. The Organization has adopted this ASU effective April 1, 2016.

Note 2 - Summary of significant accounting policies (continued):

Recent accounting pronouncements - In August 2016, the FASB issued ASU No. 2016-14 "Not-for-Profit Entities: Presentation of Financial Statements for Not-for-Profit Entities." The ASU is intended to improve identified issues about the current financial reporting for Not-for-Profits. This ASU is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application is permitted. Management has not determined the impact of this pronouncement.

In February 2016, the FASB issued ASU No. 2016-02 "Leases." The ASU is intended to increase transparency and comparability between organizations recognizing lease assets and liabilities by recognizing lease assets and lease liabilities on the balance sheet and increasing the related disclosures. For non-public entities, the effective date will be effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early application is permitted. The adoption of this guidance is expected to have a material impact on the Organization's financial statements. Management has not yet evaluated the impact of the guidance on the Organization's financial statements.

Subsequent events - Subsequent events have been evaluated through the date of the independent auditors' report, which is the date the financial statements were available to be issued and it has been determined that no material subsequent events require an estimate to be recorded as of April 30, 2017.

Note 3 - Investments:

The Organization has entered into an agreement with Silicon Valley Community Foundation ("SVCF") to manage, hold in trust, and invest certain assets according to the Organization's investment policy guideline. The Organization maintains a beneficial interest in investments of the SVCF which is valued by applying the percentage of ownership of the overall investment portfolio. The interests 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. These investments are carried at estimated fair values as determined by the investment manager after giving consideration to operating results, financial condition, recent sales prices of issuers' securities and other pertinent information. As SVCF's portfolio is composed of various investments with varying levels of observable inputs, valuation of the entire portfolio cannot be valued using observable market data. At April 30, 2017, the Organization has no unfunded commitments and all its investments in the beneficial interest held by others can be redeemed at any time by written request with certain restrictions for large withdrawals and full redemption. 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.

The Organization follows the provisions of the Fair Value Measurements and Disclosure Topic of the FASB Accounting Standards Codification. These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The Organization's investments consisted of the following at April 30, 2017:

Capital preservation pool	$	51,212
Long-term growth pool		121,159
Total investments	$	172,371

Note 3 - Investments (continued):

The following schedule summarizes total investment returns at April 30, 2017:

Realized gains	$	4,928
Unrealized gains		12,147
Interest and dividends		1,085
Total gains		18,160
Management fees		(2,561)
Total investment returns net of fees	$	15,599

An investment's classification within a level in the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. The categorization of the investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Organization's perceived risk of that investment.

The April 30, 2017 entire investment balance of $172,371 is measured at fair value on a reoccurring basis and are categorized as Level 2, significant other observable inputs.

Note 4 - Property and equipment, net:

Property and equipment consisted of the following at April 30, 2017:

Vehicles	$	113,242
Furniture, fixtures, and equipment		105,760
Software		99,805
Leasehold improvements		44,638
Total property and equipment		363,445
Less: accumulated depreciation and amortization		(172,862)
Property and equipment, net	$	190,583

Depreciation expense for the period ended April 30, 2017 was approximately $36,000.

Note 5 - Board designated net assets:

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. There was $700,000 in operating reserves as of April 30, 2017.

Holiday gift purchase fund - This fund is used to purchase gifts which do not come in via direct individual donations. It is used each period in varying degrees depending on need. There was $100,000 reserved in the holiday gift purchase fund as of April 30, 2017.

Backpack purchase fund - This fund is used to purchase school supply filled backpacks for very low-income students in the Back-to-School Drive which did not come in via individual donations. It is used each period in varying degrees depending on need. The remaining backpacks are provided by direct donations of backpacks by individuals who purchase them in stores. There was $100,000 reserved in the backpack purchase fund as of April 30, 2017.

Note 6 - Temporarily restricted net assets:

Temporarily restricted net assets as of April 30, 2017 are for the following purposes:

2017 Back-to-School Drive	$	20,000
Fellowship		12,500
Total	$	32,500

Note 7 - In-kind contributions:

In-kind contributions consisted of the following at April 30, 2017:

Donated gifts	$	2,864,508
Donated facilities:		
Warehouse usage		182,105
Office usage		70,191
Total donated facilities		252,296
Total in-kind contributions	$	3,116,804

Note 7 - In-kind contributions (continued):

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 period ended April 30, 2017 were approximately 18,000. The estimated value of these services for the period ended April 30, 2017, based on the estimated dollar value of volunteer time calculated by Independent Sector, amounts to approximately $512,000. The value of donated volunteer services has not been recognized in the accompanying financial statements because they did not meet the criteria for specialized skill or would not have been paid for if not contributed.

Note 8 - Retirement plans:

SIMPLE IRA - An IRA-based plan (the "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 the period ended April 30, 2017, there were employer contributions made for eligible participants of the SIMPLE IRA Plan in the amounts of approximately $20,000.

457(f) Plan - A nonqualified defined compensation plan (the "457(f) Plan") which qualifies under Section 457(f) of the Internal Revenue Code. The 457(f) Plan was started on August 5, 2009 and covers the Executive Director. The amount of contribution made each plan year is solely within the Organization's discretion and may be zero in some years. For the fiscal period ended April 30, 2017, the Organization did not make contributions to the 457(f) Plan. The value of the 457(f) Plan assets as of April 30, 2017 was approximately $112,000 of which all investments related to the 457(f) Plan are level 1 assets and included under the Statement of Financial Position caption of 457(f) Plan Assets.

Note 9 - Contingencies:

Grants awarded to the Organization are subject to the granting 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 terms of the award. In such cases, the Organization could be held responsible for repayments to the granting agency for the costs or be subject to a reduction of future awards in the amount of the costs. Management does not anticipate any material repayments for the grants administered during the period.