

THE FAMILY GIVING TREE

MARCH 31, 2015 AND 2014

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

The Family Giving Tree

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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 statement of **The Family Giving Tree (the Organization)** which comprise the statements of financial position as of March 31, 2015 and 2014, 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, 2015 and 2014, 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 12, 2015

The Family Giving Tree

Statement of Financial Position

<i>March 31,</i>	2015	2014
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,086,537	\$ 853,377
Investments	166,032	161,114
Prepaid expenses and other current assets	49,787	25,129
Total current assets	1,302,356	1,039,620
Property and Equipment, net	58,969	101,267
Other Assets:		
457(f) plan assets	110,965	108,692
Deposit	4,850	7,850
Total other assets	115,815	116,542
	\$ 1,477,140	\$ 1,257,429
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 49,454	\$ 33,598
Accrued payroll	96,610	35,030
Total current liabilities	146,064	68,628
Long-Term Liabilities:		
457(f) plan payable	110,965	108,692
Total liabilities	257,029	177,320
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	395,111	255,109
Total unrestricted net assets	1,220,111	1,080,109
Total liabilities and net assets	\$ 1,477,140	\$ 1,257,429

See accompanying notes to financial statements.

The Family Giving Tree

Statement of Activities

<i>Years Ended March 31,</i>	2015	2014
	(All Unrestricted)	(All Unrestricted)
Revenues:		
Donated gifts	\$ 3,487,460	\$ 2,394,205
Individual contributions	1,356,240	1,049,449
Corporate contributions	919,961	738,867
Donated facilities	249,443	368,505
Foundation grants	251,250	193,500
Donated services	96,450	81,600
Investment income	6,756	15,836
Total revenues	6,367,560	4,841,962
Expenses:		
Program services		
Holiday Wish Program	2,851,690	2,766,490
Back-to-School Backpack Program	2,340,420	1,457,324
Other program	310,821	
Total program services	5,502,931	4,223,814
Supporting services		
Management and general	389,563	304,888
Fundraising	335,064	274,949
Total supporting services	724,627	579,837
Total expenses	6,227,558	4,803,651
Change in Net Assets	140,002	38,311
Net Assets, beginning of year	1,080,109	1,041,798
Net Assets, end of year	\$ 1,220,111	\$ 1,080,109

See accompanying notes to financial statements.

The Family Giving Tree

Statement of Functional Expenses

Year Ended March 31, 2015 (with comparative totals for 2014)

	Program Services				Supporting Services			Total	
	Holiday Wish Program	Back-to-School Backpack Program	Other Program	Total	Management and General	Fundraising	Total	2015	2014
Salaries	\$ 343,087	\$ 258,860	\$ 12,009	\$ 613,956	\$ 115,838	\$ 175,987	\$ 291,825	\$ 905,781	\$ 781,889
Employee benefits	53,704	40,520	1,880	96,104	18,132	27,548	45,680	141,784	124,065
Payroll taxes	26,801	20,221	938	47,960	9,049	13,747	22,796	70,756	66,328
Pension plan contributions	8,738	6,593	306	15,637	2,950	4,482	7,432	23,069	23,371
Total salaries and related expenses	432,330	326,194	15,133	773,657	145,969	221,764	367,733	1,141,390	995,653
Donated gifts distributed	1,852,095	1,382,865	252,500	3,487,460				3,487,460	2,394,205
Purchased gifts distributed	136,427	432,934		569,361				569,361	411,106
Total gifts distributed	1,988,522	1,815,799	252,500	4,056,821				4,056,821	2,805,311
Outside services	136,120	102,703	4,765	243,588	105,438	69,823	175,261	418,849	330,784
Donated facilities	140,000	15,033	36,210	191,243	58,200		58,200	249,443	365,243
Supplies	30,302	15,589		45,891	16,277	871	17,148	63,039	48,943
Printing and publications	27,219	20,537	953	48,709	9,190	13,962	23,152	71,861	62,603
Travel and food	9,559	5,346		14,905	14,163	545	14,708	29,613	25,238
Occupancy	11,368	8,577	398	20,343	3,838	5,831	9,669	30,012	37,522
Dues and subscriptions	453	342	16	811	153	232	385	1,196	404
Small equipment	2,901	2,189	102	5,192	980	1,488	2,468	7,660	10,899
Postage and shipping	3,671	2,770	128	6,569	1,239	1,883	3,122	9,691	11,112
Training	1,918	143		2,061	23,039	1,837	24,876	26,937	15,896
Bank fees	10,938	8,253	383	19,574	3,693	5,611	9,304	28,878	21,649
Telephone	3,006	2,268	105	5,379	1,015	1,542	2,557	7,936	8,318
Insurance	3,672	2,770	128	6,570	1,240	1,883	3,123	9,693	9,390
Miscellaneous									137
Total expenses before depreciation and loss on disposal of property and equipment	2,801,979	2,328,513	310,821	5,441,313	384,434	327,272	711,706	6,153,019	4,749,102
Depreciation	15,277	11,907		27,184	5,129	7,792	12,921	40,105	54,549
Loss on disposal of property and equipment	34,434			34,434				34,434	
Total expenses	\$ 2,851,690	\$ 2,340,420	\$ 310,821	\$ 5,502,931	\$ 389,563	\$ 335,064	\$ 724,627	\$ 6,227,558	4,803,651
Percentage of total	45.8%	37.6%	5.0%	88.4%	6.2%	5.4%	11.6%	100.0%	

See accompanying notes to financial statements.

The Family Giving Tree

Statement of Functional Expenses

Year Ended March 31, 2014

	Program Services			Supporting Services			Total
	Holiday Wish Program	Back-to-School Backpack Program	Total	Management and General	Fundraising	Total	2014
Salaries	\$ 327,594	\$ 215,759	\$ 543,353	\$ 89,169	\$ 149,367	\$ 238,536	\$ 781,889
Employee benefits	51,980	34,235	86,215	14,149	23,701	37,850	124,065
Payroll taxes	27,790	18,303	46,093	7,564	12,671	20,235	66,328
Pension plan contributions	9,792	6,449	16,241	2,665	4,465	7,130	23,371
Total salaries and related expenses	417,156	274,746	691,902	113,547	190,204	303,751	995,653
Donated gifts distributed	1,700,507	693,698	2,394,205				2,394,205
Purchased gifts distributed	121,608	289,498	411,106				411,106
Total gifts distributed	1,822,115	983,196	2,805,311				2,805,311
Outside services	128,999	84,961	213,960	58,006	58,818	116,824	330,784
Donated facilities	240,000	60,000	300,000	65,243		65,243	365,243
Supplies	18,466	7,121	25,587	23,356		23,356	48,943
Printing and publications	62,184	178	62,362	241		241	62,603
Travel	8,821	5,848	14,669	10,569		10,569	25,238
Occupancy	15,721	10,354	26,075	4,279	7,168	11,447	37,522
Dues and subscriptions	169	112	281	46	77	123	404
Small equipment	3,670	2,670	6,340	3,843	716	4,559	10,899
Postage and shipping	7,520	1,859	9,379	1,733		1,733	11,112
Training	2,267	327	2,594	13,300	2	13,302	15,896
Bank fees	9,070	5,974	15,044	2,469	4,136	6,605	21,649
Telephone	3,485	2,295	5,780	949	1,589	2,538	8,318
Insurance	3,934	2,591	6,525	1,071	1,794	2,865	9,390
Miscellaneous	58	39	97	15	25	40	137
Total expenses before depreciation	2,743,635	1,442,271	4,185,906	298,667	264,529	563,196	4,749,102
Depreciation	22,855	15,053	37,908	6,221	10,420	16,641	54,549
Total expenses	\$ 2,766,490	\$ 1,457,324	\$ 4,223,814	\$ 304,888	\$ 274,949	\$ 579,837	\$ 4,803,651
Percentage of total	57.6%	30.3%	87.9%	6.4%	5.7%	12.1%	100.0%

See accompanying notes to financial statements.

The Family Giving Tree

Statement of Cash Flows

<i>Years Ended March 31,</i>	2015	2014
Cash Flows from Operating Activities:		
Change in net assets	\$ 140,002	\$ 38,311
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	40,105	54,549
Loss on disposal of property and equipment	34,434	
Donated gifts received	(3,487,460)	(2,394,205)
Donated gifts distributed	3,476,359	2,394,205
Net unrealized gain on investments	(4,918)	(12,554)
Change in operating assets and liabilities:		
Prepaid expenses and other current assets	(13,557)	3,774
Deposits	3,000	
Accounts payable and accrued expenses	29,106	(10,902)
Accrued payroll	61,580	(4,338)
Net cash provided by operating activities	278,651	68,840
Cash Flows from Investing Activities:		
Purchase of property and equipment	(45,491)	(10,694)
Net cash used by investing activities	(45,491)	(10,694)
Net Change in Cash and Cash Equivalents	233,160	58,146
Cash and Cash Equivalents, beginning of year	853,377	795,231
Cash and Cash Equivalents, end of year	\$ 1,086,537	\$ 853,377
Supplemental Disclosure		
Interest paid	\$ 3,333	\$ 3,056
No payments for taxes were made during 2015 and 2014		
Non-cash Investing Activities		
Acquisition of property and equipment included in accounts payable and accrued expenses	\$ 2,500	\$ 24,306

See accompanying notes to financial 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, founded in 1990, 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 nonprofit foundations.

The Organization's programs are further described 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 300 social services agencies (homeless shelters, community centers, rehabilitation houses and various nonprofit 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 700 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 7,200 volunteers in 120,000 square feet of donated warehouse space in December 2014 (5,100 volunteers in 120,000 square feet of donated warehouse space in December 2013) where the donated gifts are then sorted, wrapped and dispersed 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 years ended March 31, 2015 and 2014, the Organization provided holiday gifts to approximately 71,600 and 69,750 children, respectively. The Organization also supported 627 low-income children in Austin, Texas through a special outreach initiative during the most recent Holiday Wish Drive.

The Family Giving Tree

Notes to Financial Statements

Back-to-School Drive

The Organization also holds the conviction that education is the most effective 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 students 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 33,300 and 25,600 K-12 students, who qualify for the Federal Free and Reduced Price Meal Program. More than 430 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 1,100 and 750 volunteers in August 2014 and 2013, respectively, 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.

In 2014, the Organization expanded their commitment to igniting a passion for learning in underserved K-5 students through their first-annual Books-for-Backpacks campaign. Books-for-Backpacks allowed the Organization to place a brand-new, age-appropriate book in nearly 13,000 backpacks distributed by the Organization to low-income K-5 students. By providing books to support and encourage reading in the home, where many low-income students do not have access to age-appropriate reading material, the campaign addressed a serious educational issue among low-income 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.

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, 2015 and 2014, 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, 2015 and 2014, 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. 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 Measurements* 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 measured using Level 2 inputs (see Note 2f). As of March 31, 2015 there was \$11,101 of inventory included in prepaid expenses and other current assets and as of March 31, 2014 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. 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.

l. Advertising

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

m. Subsequent Events

The Organization evaluated subsequent events from March 31, 2015 through August 12, 2015, 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 measured using Level 2 inputs (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:

	2015	2014
Software	\$ 75,260	\$ 435,127
Furniture, fixtures and equipment	69,549	63,070
Leasehold improvements	17,928	17,928
	<hr/>	<hr/>
	162,737	516,125
Less: Accumulated depreciation and amortization	(103,768)	(414,858)
	<hr/>	<hr/>
	\$ 58,969	\$ 101,267

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 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 year in varying degrees depending on need. 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:

	2015	2014
Donated gifts	\$ 3,487,460	\$ 2,394,205
Donated facilities:		
Warehouse usage	191,243	300,000
Office usage	58,200	68,505
Total donated facilities	249,443	368,505
Professional services	96,450	81,600
Total in-kind contributions	\$ 3,833,353	\$ 2,844,310

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, 2015 and 2014 were approximately 16,000 and 16,900, respectively. The estimated value of these services for the years ended March 31, 2015 and 2014, based on the estimated dollar value of volunteer time calculated by Independent Sector, amounts to approximately \$369,100 and \$375,800, respectively. In accordance with U.S. GAAP the value of these services is not reflected in the financial statements.

Note 7 - Retirement Plans:

During the years ended March 31, 2015 and 2014, 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, 2015 and 2014 there were employer contributions made for eligible participants of the SIMPLE IRA Plan in the amounts of \$23,069 and \$23,371, respectively.

The Family Giving Tree

Notes to Financial Statements

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, 2015 and 2014, the Organization did not make contributions to the plan. The value of the plan assets as of March, 31, 2015 and 2014 was \$110,965 and \$108,692, respectively.

Note 8 - 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.