Big Brothers Big Sisters of Utah

COMBINED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2015

Larson
CERTIFIED PUBLIC ACCOUNTANTS

BIG BROTHERS BIG SISTERS OF UTAH

C O N T E N T S

Larson
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors

BIG BROTHERS BIG SISTERS OF UTAH

We have audited the accompanying combined financial statements of **Big Brothers Big Sisters of Utah** (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2015 and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements
Management is responsible for the preparation and fair presentation of these combined 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 the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements. 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 combined financial statements referred to above present fairly, in all material respects, the financial position of **Big Brothers Big Sisters of Utah** as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Larson & Company PC

Salt Lake City, Utah
July 11, 2016

Larson & Company
9065 South 1300 East, Salt Lake City, Utah 84094
Main: (801) 313-1900 | Fax: (801) 313-1912
www.larsco.com

BIG BROTHERS BIG SISTERS OF UTAH

Combined Statement of Financial Position
For the Year Ended December 31, 2015

ASSETS

Current assets		
Cash and cash equivalents	$	425,891
Promises to give (including accounts receivable)		265,094
Prepaid expenses		1,722
Total current assets		692,707
INVESTMENTS		162,987
PR0PERTY AND EQUIPMENT, net		2,524
		165,511
Total assets	$	858,218

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	$	3,129
Accrued liabilities		56,671
Total current liabilities		59,800
Net assets		
Unrestricted		
Board designated		166,078
Undesignated		300,294
Temporarily restricted		242,589
Permanently restricted		89,457
Total net assets		798,418
Total liabilities and net assets	$	858,218

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

BIG BROTHERS BIG SISTERS OF UTAH

Combined Statement of Activities
For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
CHANGE IN UNRESTRICTED NET ASSETS				
Support, revenue and loss				
Friends of BBBS	$ 438,700	$ -	$ -	$ 438,700
United Way	97,865	95,000	-	192,865
Foundation grants	152,850	-	-	152,850
Corporate donations	224,937	-	-	224,937
Government grants	267,542	-	-	267,542
Contributions	134,621	-	-	134,621
In-kind donations	12,313	-	-	12,313
Special events (net of $51,411 direct expenses)	195,189	-	-	195,189
Interest and dividends	-	8,866	-	8,866
Unrealized loss on investments	-	(19,572)	-	(19,572)
Total support, revenue and loss	1,524,017	84,294	-	1,608,311
Satisfaction of restrictions	136,100	(136,100)	-	-
Total support, revenue, loss and satisfaction of restrictions	1,660,117	(51,806)	-	1,608,311
EXPENSES				
Mentoring programs	1,168,795	-	-	1,168,795
General and administrative	52,880	-	-	52,880
Fundraising	166,156	-	-	166,156
Total expenses	1,387,831	-	-	1,387,831
Change in net assets	272,286	(51,806)	-	220,480
Net assets at beginning of year, restated	194,086	294,395	89,457	577,938
Net assets at end of year	$ 466,372	$ 242,589	$ 89,457	$ 798,418

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

BIG BROTHERS BIG SISTERS OF UTAH

Combined Statement of Functional Expenses
For the Year Ended December 31, 2015

	Mentoring Programs	General and Administrative	Fundraising	Total
Salaries and wages	$ 721,874	$ 37,442	$ 103,543	$ 862,859
Payroll taxes	62,638	3,205	8,979	74,822
Employee benefits	72,772	3,722	10,431	86,925
Total salaries and related expenses	857,284	44,369	122,953	1,024,606
Rent	65,133	2,299	9,195	76,627
Program and affiliation fees	63,567	-	-	63,567
Event expenses	-	-	51,411	51,411
Travel and professional development	30,155	1,064	4,257	35,477
General and professional liability insurance	26,856	819	3,275	30,950
Telephone	23,800	840	3,360	28,000
Network support	23,457	828	3,312	27,597
Supplies	39,902	1,408	5,633	46,943
Printing, publications and postage	9,715	343	1,372	11,430
In-kind development supplies	-	-	9,161	9,161
In-kind program supplies	3,152	-	-	3,152
Professional fees	14,878	525	2,100	17,504
Interest and bank fees	6,243	220	881	7,345
Program events	3,363	119	475	3,957
Depreciation	1,289	45	182	1,516
Total functional expenses	1,168,795	52,880	217,567	1,439,242
Less expenses included with revenue	-	-	(51,411)	(51,411)
Functional expenses statement of activities	$ 1,168,795	$ 52,880	$ 166,156	$ 1,387,831

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

BIG BROTHERS BIG SISTERS OF UTAH

Combined Statement of Cash Flows
For the Year Ended December 31, 2015

Cash Flows from Operating Activities	
Change in net assets	$ 220,480
Adjustments to reconcile change in net assets to in net assets to net cash from operating activities:	
Depreciation	1,516
Unrealized losses on investments	19,572
Change in operating assets and liabilities:	
Promises to give (including accounts receivable)	(240)
Prepaid expenses	15,194
Accounts payable	(8,628)
Accrued liabilities	(2,874)
Net cash from operating activities	245,020
Cash flows from investing activities:	
Proceeds from sale of investments	11,785
Purchase of investments	(8,100)
Net cash from investing activities	3,685
Net change in cash and cash equivalents	248,706
Cash and cash equivalents at beginning of year	177,185
Cash and cash equivalents at end of year	$ 425,891

Supplemental Disclosures:

No interest or taxes were paid for the year ended December 31, 2015.

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

1. ORGANIZATION HISTORY

Big Brothers Big Sisters of Utah, ("BBBSU") is a not-for-profit corporation organized under the laws of the State of Utah in February 1978. BBBSU matches adult volunteers with children who need and want a mentor. These volunteers provide the children with friendship, guidance, and a positive role model that can prevent many negative behaviors.

BBBSU currently operates one-to-one mentoring through the following programs: Community-based, school-based, Mentor2.0 and Beyond School Walls, which utilize many community partners including United Way of Salt Lake, various municipalities and 7 school districts, and 23 schools statewide. The State office is located in Murray and serves Salt Lake, Weber, Davis and Utah Counties; a satellite office in Park City serves Summit County and a satellite office in St. George serves Washington County.

Big Brothers Big Sisters of Greater Salt Lake Foundation (the "Foundation") is a separate 501(c)(3) foundation operated for the exclusive benefit of Big Brothers Big Sisters of Utah. The foundation files a separate Informational Return Form 990 with the IRS annually. These assets are governed by the investment policies of Big Brothers Big Sisters of Utah.

The audited combined financial statements of Big Brothers Big Sisters of Utah include all assets of the Foundation and the combined entities are referred to as the "Organization" in these footnotes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Organization prepares its combined financial statements on the accrual basis of accounting and follows U.S. generally accepted accounting principles for nonprofit organizations and reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted based upon the following criteria:

- **Unrestricted net assets** represent expendable funds available for operations which are not otherwise limited by donor restrictions.

- **Temporarily restricted net assets** consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. Accumulated endowment earnings are included in temporarily restricted net assets until appropriated for expenditure by the board.

- **Permanently restricted net assets** are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Cash and cash equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are recorded at their estimated fair value less an appropriate allowance for uncollectible amounts. Allowances are based on historical experience and management's analysis of specific balances. An account is written off when it is determined that all collection efforts have been exhausted. An allowance for doubtful accounts has been established for amounts management believes may not be fully collectible. All accounts and grants receivable are considered fully collectible; accordingly, no allowance is included as of December 31, 2015.

Promises to give

Contributions representing unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Amounts due later than one year, if any, are recorded at the present value of estimated future cash flows. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Based on historical experience, the Organization expects all unconditional promises to give to be collected; therefore, no allowance for uncollectible amounts is considered necessary.

Investments

Investments in marketable securities with readily determinable fair values and investments in debt securities are recorded at their fair values. Unrealized gains and losses are included in the statement of activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment

Acquisitions of property and equipment in excess of $3,000 and all expenditures for repairs and maintenance that materially prolong the useful lives of property and equipment are capitalized. If donors stipulate how long a contributed asset 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. Property and equipment are stated at cost less accumulated depreciation and amortization, or if acquired by donation, at estimated fair value at the date of the donation. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the statement of activities for the period.

Depreciation and amortization is computed over the following estimated useful lives using the straight-line method:

Assets	Useful Lives
Furniture and equipment	5 - 7 years
Automobiles	3 - 7 years
Leasehold improvements	5 - 7 years

Contributions and in-kind donations

Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of donor restrictions. All unconditional unrestricted contributions are considered to be available for unrestricted use in the accounting period when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as restricted and shows funds released from restriction when the restricted purpose is met.

Donations of property, equipment, supplies and other goods and services are recorded as support at their estimated fair market value on the date of gift. These donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets, goods and services donated with explicit restrictions regarding their use are reported as temporarily restricted support and reclassified to unrestricted net assets when placed in service.

The Organization recognizes contributions of services only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Many individuals have donated significant amounts of time in providing organizational governance and resource development for the Organization. No amounts have been reflected in the statements for this donated time as it does meet the criteria for recognition in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional allocation of expenses

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. All direct costs are charged to the applicable functional area. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising costs

Advertising costs are charged to operations when incurred. Advertising expense was **$125** for the year ended December 31, 2015.

Concentrations of credit risk

The organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. BBBSU has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk.

The balance of promises to give consisted of promises from two donors which totaled 55% of the balance as of December 31, 2015.

Recently issued accounting pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 ("ASU No. 2014-09"), an update to FASB ASC 606, Revenue from Contracts with Customers. This update revises previous revenue recognition standards to improve guidance on revenue recognition requirements. Under the new standard, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The new standard will be effective for the Organization beginning September 1, 2018. The adoption of this standard is not expected to have a material impact on the financial statements of the Organization.

In March of 2016, the FASB issued Accounting Standards Update 2016-02, Leases, which requires all leases that have a term of more than 12 months will be required to be recognized as assets and liabilities on the balance sheet at inception. A lessee would recognize a lease liability to make lease payments owed to a lessor (liability) and a benefit for the right to use the leased asset (asset) for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee would depend on whether the lessee is expected to consume more than an insignificant portion of the economic benefits embedded in the underlying asset. This new guidance is effective for fiscal years beginning after December 15, 2019. The Company does not anticipate a significant impact on the Organization's results of operations, financial position, or cash flows as a result of this new standard.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax status

BBBSU and the related Foundation qualify as tax-exempt organizations under Section 501 (C) (3) of the Internal Revenue Code, and accordingly, no provision has been made for federal or state income tax provisions, assets or liabilities.

The FASB has provided guidance for how uncertain tax positions should be recognized, measured, and disclosed in the financial statements. Management has evaluated the Organization's tax positions and determined that there are no material uncertain tax positions. Tax years that remain subject to examination are for tax years 2013 and forward.

3. INVESTMENTS AND FAIR VALUE

Investments in marketable securities with readily determinable fair values and investments in debt securities are recorded at their fair values. Unrealized gains and losses are included in the statement of activities.

Investment return is available for use in operations and classified as temporarily restricted net assets until appropriated for expenditure. Investment management fees totaled $1,756 for the year ended December 31, 2015. Components of investment return consisted of the following for the year ended December 31, 2015:

	2015
Interest and dividends	$ 8,866
Net realized and unrealized gain (loss)	(19,572)
Investment return	$ (10,706)

The fair values of the financial instruments held as investments and shown in the following table as of December 31, 2015 represent the amounts that would be received to sell those assets in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset at the measurement date, the fair value measurement reflects the organization's judgments about the assumptions that market participants would use in pricing the asset. Those judgments are based on the best information available including expected cash flows, and appropriately risk-adjusted interest rates, and available observable and unobservable inputs.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that are available at the measurement date.

Level 2 inputs are prices for a similar asset, other than quoted market prices included within Level 1 that are observable for the asset, either directly or indirectly. If the asset has a specified term, a Level 2 input must be observable for substantially the full term of the asset.

3. INVESTMENTS AND FAIR VALUE (Continued)

Level 3 inputs are unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement dates.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgement, taking into account factors specific to the asset or liability. The categorization of assets within the hierarchy is based upon the pricing transparency of the asset and does not necessarily corresponds to an assessment of the quality, risk or liquidity profile of the asset or liability.

Assets measured at fair value on a recurring basis as of December 31, 2015 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Mutual funds	$ 162,987	$ 162,987	$ -	$ -
	$ 162,987	$ 162,987	$ -	$ -

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2015:

Furniture and equipment	$ 37,602
Accumulated depreciation	(35,078)
Net property and equipment	$ 2,524

Depreciation expense charged to operations for the year ended December 31, 2015 was $1,516.

5. LINE OF CREDIT

The Organization has obtained a $40,000 business line of credit at 5.75%. The balance of the line of credit as of December 31, 2015 was $0.

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows as of December 31, 2015:

		2015
United Way:		
Grant year from July - June	$	101,000
George S. and Delores Dore Eccles Foundation:		
Mentor 2.0 program		50,000
Accumulated endowment earnings		73,530
Total temporarily restricted net assets	$	224,530

7. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of an endowment trust that was established in 1991. The original fair value of the trust assets at the date of the donors contributions total $89,457. The interest and dividends and increase or decrease in fair value net of investment expenses are available for operations and included as temporarily restricted net assets until appropriated for expenditure by the board. As of December 31, 2015 unappropriated investment returns totaling $73,530 were held in the temporarily restricted net asset class.

8. RESTATEMENT OF NET ASSET CLASSES

Permanently and temporarily restricted net assets as reported by the Organization's prior auditor have been restated to correct an error in presentation of the net asset classes as of December 31, 2014. In previously issued audited financial statements net assets classified as permanently restricted included the original value of the endowment gifts plus accumulated increases in the fair value of these gifts.

Increases in the fair value of the original gifts were not specified to be held as permanently restricted net assets by the donors or the trust agreement. Accordingly, management believes these amounts should be held as temporarily restricted net assets until appropriated for expenditure by the Board of Directors, at which time they should be released to unrestricted net assets.

The effect of the restatement and reclassification between permanently and temporarily restricted net assets was to increase temporarily restricted net assets by $96,295 and decrease permanently restricted net assets by the same amount. The reclassification had no impact on total net assets as reported as of December 31, 2014.

9. ENDOWMENT

Big Brothers and Big Sisters of Greater Salt Lake Foundation holds the endowment funds and was established to support the mission of the Organization. The corpus of the foundation consists of donor-restricted funds.

Interpretation of Relevant Law
The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Organization classifies permanently restricted net assets as:

- The original value of gifts donated to the foundation, and
- The original value of subsequent gifts to the foundation.

Net investment returns on the endowment are classified as temporarily restricted net assets until the amounts are appropriated for expenditure by the Board of Directors. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate foundation funds:

- The duration and preservation of the fund
- General economic conditions
- The expected total return from income and the appreciation of investments
- Financial health of the organization
- Investment policies of the organization

Return Objectives and Risk Parameters
The Organization has adopted investment and spending policies for foundation assets that attempt to protect the corpus of the foundation to assist with the financial stability of the Organization. The endowment assets are invested in a manner that is intended to produce returns that are 2% to 3% higher than the rate of inflation, while assuming a moderate level of investment risk.

Spending Policy
The Organization has a policy in which the general rule of appropriating for distribution each year is interest and/or dividends accumulated in one year on the permanently restricted and temporarily restricted corpus of the foundation funds. In establishing this policy, the Organization considered the long-term expected returns on its investments. Accordingly, over the long-term, the Organization expects the current spending policy will allow the foundation to retain and grow the original fair value of the gift.

Strategies Employed for Achieving Objectives
The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The organization targets a diversified asset allocation that emphasizes common stocks and fixed income securities to achieve its long-term objectives within prudent risk constraints.

9. ENDOWMENT (Continued)

The endowment fund balance and activity is as follows for the year ended December 31, 2015:

	Temporarily Restricted	Permanently Restricted	Total Endowment
Balance at January 1, 2015, restated	$ 96,295	$ 89,457	$ 185,752
Contributions	-	-	-
Interest and dividiends	8,866	-	8,866
Unrealized loss	(19,572)	-	(19,572)
Amounts appropriated for expenditure	(12,059)	-	(12,059)
Balance at December 31, 2015	$ 73,530	$ 89,457	$ 162,987

10. OPERATING LEASES

The Organization leases office space in Salt Lake City and Park City under leasing agreements. The Salt Lake City office space lease was negotiated in April 2015 and runs through March 2019. The Park City office space lease was negotiated in August 2015 and runs from January 2016 through December 2018. The Organization also rents office space in St. George, Utah under a month-to-month arrangement. For the year ending December 31, 2015, the total rent expense was $76,627. The future minimum lease payments are as follows:

Years Ending December 31,	
2016	$ 51,000
2017	51,000
2018	51,000
2019	10,800
2020	-
Thereafter	-
Total	$ 163,800

11. CONCENTRATIONS OF CREDIT AND MARKET RISK

The Organization maintains its cash and cash equivalent balances with a bank located in Salt Lake City, Utah. The deposits may exceed their federally insured limits of $250,000 as established by the Federal Deposit Insurance Corporation.

Balances of cash and securities held by the Organization in brokerage accounts are insured by the Security Investors Protection Corporation up to $500,000. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk on these balances.

11. CONCENTRATIONS OF CREDIT AND MARKET RISK (Continued)

As of December 31, 2015, two entities accounted for 27% and 12% of the Organization's total revenue. The Organization has concentrations in accounts receivable. For the year ended December 31, 2015, two entities accounted for 36% and 26% of the receivables balance.

12. RELATED PARTY TRANSACTIONS

Big Brothers Big Sisters of Utah derives a portion of its revenues from Friends of Big Brothers Big Sisters of Utah ("Friends"). The Board of Directors for Friends is comprised of seven members, two of whom are members from the Board of Directors for the Organization.

During the year ended December 31, 2015, the Organization received $438,700. As of December 31, 2015, the Organization had an accounts receivable balance from Friends in the amount of $4,485. Also, as of December 31, 2015, the Organization had an accounts payable balance to Friends in the amount of $3,129. As of December 31, 2015, the Organization paid $17,840 to Big Brothers Big Sisters of America for affiliation fees and for the use of proprietary case management software.

A member of the Board of Directors serves as the broker for the Organization's dental, health, and life insurances. No fees are paid directly to the board member by the Organization, but the board member received a total of $1,656 in commissions relating to the policies sold to the Organization during the year ended December 31, 2015.

13. RETIREMENT PLAN

The Organization has a 401K defined contribution plan which employees may participate in once they meet the eligibility requirements. After one year of employment the Organization may make a board discretionary match of 50% of the employee contributions up to a maximum contribution up to 3% of total compensation. Contributions to the plan were $8,849 for the year ended December 31, 2015.

14. SUBSEQUENT EVENTS

Management has evaluated events and accounts of the Organization from December 31, 2015 through the date the financial statements were available to be issued, to determine if there are any subsequent events that provide additional information about conditions that existed at the financial position date.