
MISSION ASSET FUND

FINANCIAL STATEMENTS

December 31, 2016

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2015)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

MISSION ASSET FUND

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mission Asset Fund
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of Mission Asset Fund, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, cash flows and functional expenses for the year 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 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 auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mission Asset Fund as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Mission Asset Fund's December 31, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 23, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants

Oakland, California

April 4, 2017

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Statement of Financial Position

December 31, 2016

(With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 2,282,100	\$ 2,399,207
Accounts and grants receivable	752,592	1,401,348
Program receivables (Note 3)	321,655	273,973
Prepaid expenses	73,824	60,123
Total Current Assets	<u>3,430,171</u>	<u>4,134,651</u>
Software and equipment, net (Note 4)	187,440	226,185
Deposits	<u>10,000</u>	<u>10,000</u>
 Total Assets	 <u>\$ 3,627,611</u>	 <u>\$ 4,370,836</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 42,310	\$ 48,880
Accrued liabilities	56,673	36,275
Program payables (Note 3)	202,116	168,244
Program loan payable, current (Note 5)	37,500	-
Deferred revenue	83,312	-
Total Current Liabilities	<u>421,911</u>	<u>253,399</u>
Program loan payable (Note 5)	112,500	150,000
Partner funds held (Note 6)	<u>194,120</u>	<u>139,504</u>
Total Liabilities	<u>728,531</u>	<u>542,903</u>
Commitments and Contingencies (Notes 7 and 8)		
Net Assets		
Unrestricted		
Undesignated	662,207	330,703
Invested in software and equipment	187,440	226,185
Board designated reserve	300,000	300,000
Total Unrestricted	<u>1,149,647</u>	<u>856,888</u>
Temporarily restricted (Note 9)	<u>1,749,433</u>	<u>2,971,045</u>
Total Net Assets	<u>2,899,080</u>	<u>3,827,933</u>
 Total Liabilities and Net Assets	 <u>\$ 3,627,611</u>	 <u>\$ 4,370,836</u>

See Notes to the Financial Statements

MISSION ASSET FUND

**Statement of Activities
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

	Unrestricted	Temporarily Restricted	Total	
			2016	2015
Support and Revenue				
Support				
Foundation	\$ 13,353	\$ 1,177,200	\$ 1,190,553	\$ 2,586,247
Corporate	810	40,000	40,810	326,682
Government	180,000		180,000	122,736
Sponsorships	68,543		68,543	-
Individual	16,744		16,744	8,858
In-kind goods and securities	6,459		6,459	-
Total Support	<u>285,909</u>	<u>1,217,200</u>	<u>1,503,109</u>	<u>3,044,523</u>
Revenue				
Program service fees	90,056		90,056	119,376
License fees	53,465		53,465	47,750
Interest	1,363		1,363	1,222
Conference and seminar	18,915		18,915	-
Other	12,706		12,706	12,372
Total Revenue	<u>176,505</u>	<u>-</u>	<u>176,505</u>	<u>180,720</u>
Net assets released from donor restriction (Note 9)	<u>2,438,812</u>	<u>(2,438,812)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,901,226</u>	<u>(1,221,612)</u>	<u>1,679,614</u>	<u>3,225,243</u>
Expenses				
Program	1,987,081		1,987,081	1,506,041
Management and general	365,391		365,391	259,627
Fundraising	255,995		255,995	240,599
Total Expenses	<u>2,608,467</u>	<u>-</u>	<u>2,608,467</u>	<u>2,006,267</u>
Change in net assets	292,759	(1,221,612)	(928,853)	1,218,976
Net Assets, beginning of year	<u>856,888</u>	<u>2,971,045</u>	<u>3,827,933</u>	<u>2,608,957</u>
Net Assets, end of year	<u>\$ 1,149,647</u>	<u>\$ 1,749,433</u>	<u>\$ 2,899,080</u>	<u>\$ 3,827,933</u>

See Notes to the Financial Statements

MISSION ASSET FUND

Statement of Cash Flows
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ (928,853)	\$ 1,218,976
Adjustments to reconcile change in net assets to cash provided (used) by operating activities		
Depreciation and amortization	147,371	137,346
Loss on disposition	997	3,780
Change in assets and liabilities:		
Accounts and grants receivable	648,756	(1,265,441)
Program receivables	(47,682)	(91,606)
Prepaid expenses	(13,701)	(34,492)
Deposits	-	185
Accounts payable	(6,570)	(42,256)
Accrued liabilities	20,398	(2,260)
Program payables	33,872	53,979
Partner funds held	54,616	(26,998)
Deferred revenue	83,312	-
Net cash provided (used) by operating activities	<u>(7,484)</u>	<u>(48,787)</u>
Cash flows from investing activities		
Purchases and sales of certificates of deposit, net	-	207,629
Internally developed software	(102,361)	(46,016)
Purchase of fixed assets	(7,262)	(17,589)
Net cash provided (used) by investing activities	<u>(109,623)</u>	<u>144,024</u>
Cash flows from financing activities		
Repayment of bank loan	-	(56,250)
Funds received from refundable grant	-	150,000
Net cash provided (used) by financing activities	<u>-</u>	<u>93,750</u>
Net change in cash	(117,107)	188,987
Cash and cash equivalents, beginning of year	<u>2,399,207</u>	<u>2,210,220</u>
Cash and cash equivalents, end of year	<u>\$ 2,282,100</u>	<u>\$ 2,399,207</u>

See Notes to the Financial Statements

MISSION ASSET FUND

**Statement of Functional Expenses
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

	Program	Management and General	Fundraising	Total	
				2016	2015
Salaries	\$ 898,200	\$ 216,389	\$ 146,843	\$ 1,261,432	\$ 909,645
Retirement contributions	30,511	6,344	5,151	42,006	30,055
Employee benefits	101,553	25,872	12,809	140,234	98,130
Payroll taxes	73,626	17,896	11,035	102,557	75,402
Total Personnel	<u>1,103,890</u>	<u>266,501</u>	<u>175,838</u>	<u>1,546,229</u>	<u>1,113,232</u>
Contract and professional services	35,581	-	37,023	72,604	128,683
Accounting	-	38,925	-	38,925	26,476
Legal	-	11,166	-	11,166	14,366
Marketing and communication	2,785	314	190	3,289	1,027
Office expense and supplies	72,393	5,454	3,480	81,327	46,912
Information technology	201,423	4,527	1,375	207,325	190,870
Occupancy	74,804	16,834	10,202	101,840	163,559
Travel and meals	47,884	3,994	15,996	67,874	42,199
Conference registration	10,661	1,141	1,330	13,132	3,001
Depreciation and amortization	142,805	2,843	1,723	147,371	137,346
Insurance	-	6,923	-	6,923	3,702
Lending Circle matches	22,121	-	-	22,121	4,880
Loan servicing fees	39,307	-	-	39,307	42,059
Client events and workshops	3,958	-	-	3,958	9,031
Bad debt expense	13,185	-	-	13,185	12,545
Loss on disposition	732	165	100	997	3,780
Conference and seminars	165,675	-	4,360	170,035	-
Other expenses	49,877	6,604	4,378	60,859	62,599
Total Expenses	<u>\$ 1,987,081</u>	<u>\$ 365,391</u>	<u>\$ 255,995</u>	<u>\$ 2,608,467</u>	<u>\$ 2,006,267</u>

See Notes to the Financial Statements

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Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

NOTE 1: NATURE OF ACTIVITIES

Mission Asset Fund (the Organization) is a nonprofit, tax-exempt organization founded in 2007. The Organization is dedicated to creating a fair financial marketplace for hardworking families by expanding access to responsible financial products for low-income and immigrant communities.

In 2008, the Organization launched the Lending Circles social loan program, introducing a new strategy for building credit and assets among low-income people. The Organization now offers a suite of innovative financial products and services that enable low-income families to build credit, reduce debt, and improve their economic security.

The Organization provides Lending Circles through both direct programs in California and across the U.S. through a nationwide network of nonprofit partners. These programs have been widely acclaimed for their impact, helping thousands of participants receive zero-interest loans, enabling them to build credit and save for critical life goals.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Temporarily restricted net assets may also include accumulated appreciation of permanently restricted endowment funds that have not been appropriated by the Organization.

Permanently restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of December 31, 2016.

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Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of December 31, 2016 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended December 31, 2016.

Restricted Cash

Certain cash amounts held by the Organization as loan loss reserve funds are restricted. As of December 31, 2016 and 2015, such restricted cash totaled \$79,040 and \$54,337, respectively.

Accounts and Grants Receivable

The Organization considers all accounts and grants receivable to be fully collectible at December 31, 2016. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

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Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

Estimates

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

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no material assets or liabilities recorded at fair value on December 31, 2016.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Deferred Revenue

Deferred revenue consists of licensing and other fees received in advance of the related period of performance by the Organization.

Software and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Furniture and fixtures	5 years
Computer equipment	5 years

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Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

Software – social lending platform 3 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of April 4, 2017 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: PROGRAM RECEIVABLES

Program receivables consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Lending Circles receivables	\$ 254,738	\$ 189,144
Direct lending receivables	78,140	93,641
Less: allowance for doubtful accounts	<u>(11,223)</u>	<u>(8,812)</u>
Total	<u>\$ 321,655</u>	<u>\$ 273,973</u>

Lending Circles Receivables

Lending Circles participants each sign a Promissory Note for a credit-building loan, committing to regular payments to the Organization and a specified date for loan disbursement. The Organization services and disburses the loans, ensuring each participant receives their loan at the specified time. The Organization also collects loan payments and reports to the credit bureaus, as outlined in the Promissory Note.

The Organization and its partners operate a number of Lending Circles programs, including a Lending Circles for Deferred Action program and a Lending Circles for

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Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

Citizenship program. Certain Lending Circles programs may include match funding from the Organization or its partners.

The Organization bears the risk of loss in the event a participant is unable to complete their commitment. For partner programs the Organization may be reimbursed for such losses by the partner.

Lending Circles receivable balances consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Organization	\$ 118,782	\$ 91,112
Partner	<u>135,956</u>	<u>98,032</u>
Total	<u>\$ 254,738</u>	<u>\$ 189,144</u>

As part of the lending circles program, the Organization and its partners have made certain payment commitments to Lending Circles participants.

Lending Circles payables consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Organization	\$ 82,233	\$ 74,076
Partner	<u>119,883</u>	<u>94,168</u>
Total	<u>\$ 202,116</u>	<u>\$ 168,244</u>

Direct Lending Receivables

The Organization and its partners carry out certain micro and small business lending programs. To qualify, participants generally must meet certain criteria such as participation in a Lending Circles program for a period of time. Micro and direct loan program receivables consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Organization	\$ 38,936	\$ 53,941
Partner	<u>39,204</u>	<u>39,700</u>
Total	<u>\$ 78,140</u>	<u>\$ 93,641</u>

Allowance for Doubtful Accounts

Activity related to the allowance for doubtful accounts was as follows for the year ended December 31, 2016:

Balance, beginning of period	\$ 8,812
Loans charged off	(10,774)
Current period provision	<u>13,185</u>
Balance, end of period	<u>\$ 11,223</u>

Payment Status

The Organization monitors program receivables on a monthly basis for credit reporting purposes. The Organization segments balances into aging categories of current, past due and delinquent. The balance for each loan is classified based on the most aged portion of

MISSION ASSET FUND

Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

amounts due. Payment status for program receivable balances was as follows as of December 31:

	<u>2016</u>	<u>2015</u>
Current (0 - 30 days)	97%	98%
Past Due (31 – 90 days)	2%	2%
Delinquent (91+ days)	<u>1%</u>	<u>0%</u>
Total	<u>100%</u>	<u>100%</u>

NOTE 4: SOFTWARE AND EQUIPMENT

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

	<u>2016</u>	<u>2015</u>
Furniture and fixtures	\$ 27,190	\$ 26,475
Computer equipment	68,184	62,697
Software – social lending platform	466,206	363,845
Less: accumulated depreciation and amortization	<u>(374,142)</u>	<u>(226,832)</u>
Total	<u>\$ 187,438</u>	<u>\$ 226,185</u>

NOTE 5: PROGRAM LOAN PAYABLE

The Organization received a program loan of \$150,000 in 2015 from a foundation funder. The loan bears no interest, is unsecured and matures January 2018. Management has evaluated the donative portion of the below market rate interest rate and determined adjustments for the donative element would not be material to the financial statements. \$37,500 of the refundable grant is due July 2017 with the remaining balance of \$112,500 is due on maturity.

NOTE 6: PARTNER FUNDS HELD

Partner funds held consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Partner loan loss reserve funds	\$ 79,040	\$ 54,337
Partner match and revolving loan funds	<u>115,080</u>	<u>85,167</u>
Total	<u>\$ 194,120</u>	<u>\$ 139,504</u>

Partner loan loss reserve funds

The Organization partners with other nonprofit entities to operate peer Lending Circles. As part of those partnerships, the Organization may require partners to maintain a loan loss reserve fund to cover potential Lending Circles delinquencies, fees and defaults by Lending Circles participants.

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Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

Partner match and revolving loan funds

Partner revolving loan funds are provided by partner organizations for use in lending to partner loan program participants. The use of these funds is governed by terms outlined in a memorandum of understanding with such partners. In addition, the Organization holds partner match funds which may be used to supplement loans made to program participants.

NOTE 7: COMMITMENTS

Operating Leases

The Organization is party to a lease for office space in San Francisco, California which expires August 2021. Future minimum operating lease payments are as follows for the years ended December 31:

2017	\$ 80,040
2018	82,440
2019	84,912
2020	87,460
2021	<u>59,464</u>
Total	<u>\$ 394,316</u>

Rent for the years ended December 31, 2016 and 2015 was \$77,487 and \$127,048, respectively.

NOTE 8: CONTINGENCIES

Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization have complied with the terms of all grants.

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows as of December 31:

	<u>2016</u>	<u>2015</u>
Programs	\$ 520,000	\$ 1,506,045
Capacity building	247,115	115,000
Restricted for future use	<u>982,318</u>	<u>1,350,000</u>
Total	<u>\$ 1,749,433</u>	<u>\$ 2,971,045</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying purposes specified by donors as follows for the years ending December 31:

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**Notes to the Financial Statements
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

	<u>2016</u>	<u>2015</u>
Programs	\$ 689,495	\$ 1,438,402
Capacity building	50,385	48,000
Passage of time	<u>1,698,932</u>	<u>359,545</u>
Total	<u>\$ 2,438,812</u>	<u>\$ 1,845,947</u>

NOTE 10: PROFESSIONAL EMPLOYER ORGANIZATION

The Organization contracts for staffing services using a professional employer organization (PEO). The PEO bills the Organization for the costs of staffing, benefits and other services and the Organization presents these amounts according to their underlying natural classification on the statement of functional expense.

NOTE 11: RETIREMENT BENEFITS

The Organization offers a 401(k) retirement plan (the Plan) covering all employees offered through the Organization's PEO. The Plan is a multiple employer defined contribution plan, which means that 2 or more employers participate under the Plan. The Organization matches 100% of employee contributions with the Organization contribution limited to 4% of an employee's salary. Plan contributions incurred by the Organization for the years ended December 31, 2016 and 2015 were \$42,006 and \$30,055, respectively.