BIG BROTHERS BIG SISTERS
OF THE GREATER TWIN CITIES

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

BIG BROTHERS BIG SISTERS OF THE GREATER TWIN CITIES
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YEARS ENDED SEPTEMBER 30, 2015 AND 2014

CliftonLarsonAllen

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Big Brothers Big Sisters of the Greater Twin Cities
Saint Paul, Minnesota

We have audited the accompanying financial statements of Big Brothers Big Sisters of the Greater Twin Cities, which comprise the balance sheets as of September 30, 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.

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

Board of Directors
Big Brothers Big Sisters of the Greater Twin Cities

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of the Greater Twin Cities as of September 30, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 18, 2015

BIG BROTHERS BIG SISTERS OF THE GREATER TWIN CITIES
BALANCE SHEETS
SEPTEMBER 30, 2015 AND 2014

		2015		2014
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$	1,458,327	$	606,280
Short-Term Investments		1,000,994		-
Grants Receivable		65,514		94,144
Pledges Receivable, Net		995,714		821,688
Prepaid Expenses and Accrued Interest		43,172		73,425
Total Current Assets		3,563,721		1,595,537
OTHER ASSETS				
Investments		1,598,455		1,591,721
Property and Equipment, Net		68,607		69,260
Community Foundation Holdings		11,359		12,224
Pledges Receivable, Net		721,537		314,323
Security Deposit		5,000		5,000
Total Other Assets		2,404,958		1,992,528
Total Assets	$	5,968,679	$	3,588,065
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	$	51,654	$	38,351
Accrued Expenses		269,363		234,059
Deferred Rent and Lease Incentive Liability		34,676		29,234
Current Portion of Capital Lease Obligation		4,811		4,443
Total Current Liabilities		360,504		306,087
LONG-TERM LIABILITIES				
Long-Term Portion of Capital Lease Obligation		8,079		12,890
Total Liabilities		368,583		318,977
NET ASSETS				
Unrestricted Net Assets:				
Undesignated		1,721,304		1,753,496
Board Designated - Better Futures Campaign		1,708,763		158,333
Total Unrestricted		3,430,067		1,911,829
Temporarily Restricted Net Assets		2,095,446		1,243,211
Permanently Restricted Net Assets		74,583		114,048
Total Net Assets		5,600,096		3,269,088
Total Liabilities and Net Assets	$	5,968,679	$	3,588,065

See accompanying Notes to Financial Statements.

BIG BROTHERS BIG SISTERS OF THE GREATER TWIN CITIES
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Support:				
Contributions	$ 3,518,616	$ 1,480,997	$ -	$ 4,999,613
Contributions In-Kind	54,218	-	-	54,218
National Affiliation Pass-Through Contributions	12,299	-	-	12,299
United Way - Allocation Support	118,750	356,250	-	475,000
United Way - Designated Gifts	129,771	-	-	129,771
Total Support	3,833,654	1,837,247	-	5,670,901
Special Events:				
Special Event Revenue	368,285	-	-	368,285
Special Events Expenses	(131,345)	-	-	(131,345)
Total Special Events	236,940	-	-	236,940
Other Revenue:				
Grants	568,711	-	-	568,711
Interest and Dividend Income	32,240	(505)	-	31,735
Miscellaneous	11,847	-	-	11,847
Total Other Revenue	612,798	(505)	-	612,293
Total Support and Revenue before Releases	4,683,392	1,836,742	-	6,520,134
Net Assets Released from Restrictions	1,024,507	(984,507)	(40,000)	-
Total Support and Revenue	5,707,899	852,235	(40,000)	6,520,134
EXPENSES				
Program Services	2,601,170	-	-	2,601,170
Support Services:				
Management and General	751,221	-	-	751,221
Fundraising	648,871	-	-	648,871
Volunteer Recruitment	151,581	-	-	151,581
Total Expenses	4,152,843	-	-	4,152,843
CHANGE IN NET ASSETS FROM OPERATIONS	1,555,056	852,235	(40,000)	2,367,291
NONOPERATING CHANGE IN NET ASSETS				
Endowment Contributions	-	-	1,400	1,400
Unrealized Investment Gains (Losses)	(36,916)	-	-	(36,916)
Realized Investment Losses	(2)	-	-	(2)
Loss on Disposal of Assets	100	-	-	100
Change in Community Foundation Holdings	-	-	(865)	(865)
Total Nonoperating Change in Net Assets	(36,818)	-	535	(36,283)
CHANGE IN NET ASSETS	1,518,238	852,235	(39,465)	2,331,008
Net Assets - Beginning of Year	1,911,829	1,243,211	114,048	3,269,088
NET ASSETS - END OF YEAR	$ 3,430,067	$ 2,095,446	$ 74,583	$ 5,600,096

See accompanying Notes to Financial Statements.

2014			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$ 2,382,745	$ 799,632	$ -	$ 3,182,377
42,831	-	-	42,831
13,006	30,000	-	43,006
139,500	418,500	-	558,000
148,318	-	-	148,318
2,726,400	1,248,132	-	3,974,532
445,792	-	-	445,792
(148,073)	-	-	(148,073)
297,719	-	-	297,719
535,440	-	-	535,440
24,462	9,232	-	33,694
2,691	-	-	2,691
562,593	9,232	-	571,825
3,586,712	1,257,364	-	4,844,076
491,764	(491,764)	-	-
4,078,476	765,600	-	4,844,076
2,379,968	-	-	2,379,968
642,386	-	-	642,386
518,428	-	-	518,428
119,160	-	-	119,160
3,659,942	-	-	3,659,942
418,534	765,600	-	1,184,134
-	-	-	-
108,636	-	-	108,636
(997)	-	-	(997)
-	-	-	-
-	-	712	712
107,639	-	712	108,351
526,173	765,600	712	1,292,485
1,385,656	477,611	113,336	1,976,603
$ 1,911,829	$ 1,243,211	$ 114,048	$ 3,269,088

BIG BROTHERS BIG SISTERS OF THE GREATER TWIN CITIES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2015

	2015					
		Support Services				
	Program Services	Management and General	Fund Raising	Volunteer Recruitment	Total Support Services	Total
Salaries	$ 1,503,629	$ 415,437	$ 435,593	$ 89,743	$ 940,773	$ 2,444,402
Employee Benefits	245,788	41,742	44,764	11,366	97,872	343,660
Payroll Taxes	108,838	28,082	31,256	6,596	65,934	174,772
Total Payroll Expense	1,858,255	485,261	511,613	107,705	1,104,579	2,962,834
Professional Fees	180,902	113,273	52,297	848	166,418	347,320
Background Investigations	16,429	2,957	-	-	2,957	19,386
Supplies	130,524	2,558	1,610	6,962	11,130	141,654
Postage and Delivery	5,470	669	4,908	7	5,584	11,054
Communications	17,857	1,672	1,041	973	3,686	21,543
Equipment and Maintenance	21,348	7,243	3,168	1,311	11,722	33,070
Occupancy	221,121	46,204	32,225	13,258	91,687	312,808
Advertising and Marketing	2,653	26,021	-	6,228	32,249	34,902
Printing and Publications	8,291	2,687	10,871	2,833	16,391	24,682
Local Travel and Meetings	26,092	18,180	4,466	6,056	28,702	54,794
Training, Seminars and Conventions	9,708	10,797	927	386	12,110	21,818
Dues and Subscriptions	808	9,863	6,044	664	16,571	17,379
Scholarships	32,500	-	-	-	-	32,500
Interest	861	178	128	53	359	1,220
Insurance	37,429	7,832	5,455	2,245	15,532	52,961
Miscellaneous	1,327	9,729	9,754	249	19,732	21,059
National BBBS Dues	15,536	3,216	2,317	959	6,492	22,028
Total Expense Before Depreciation	2,587,111	748,340	646,824	150,737	1,545,901	4,133,012
Depreciation Expense	14,059	2,881	2,047	844	5,772	19,831
Total Expenses	$ 2,601,170	$ 751,221	$ 648,871	$ 151,581	$ 1,551,673	$ 4,152,843
Percent of Total Expenses	62.6%	18.1%	15.6%	3.7%	37.4%	100.0%

See accompanying Notes to Financial Statements.

BIG BROTHERS BIG SISTERS OF THE GREATER TWIN CITIES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2014

	2014					
		Support Services				
	Program Services	Management and General	Fund Raising	Volunteer Recruitment	Total Support Services	Total
Salaries	$ 1,404,339	$ 399,488	$ 266,352	$ 70,767	$ 736,607	$ 2,140,946
Employee Benefits	239,299	46,690	25,003	7,953	79,646	318,945
Payroll Taxes	100,334	29,032	18,656	5,301	52,989	153,323
Total Payroll Expense	1,743,972	475,210	310,011	84,021	869,242	2,613,214
Professional Fees	117,064	58,684	152,552	5,045	216,281	333,345
Background Investigations	10,076	2,323	-	-	2,323	12,399
Supplies	143,061	3,436	752	3,776	7,964	151,025
Postage and Delivery	7,870	907	6,013	37	6,957	14,827
Communications	18,631	3,266	894	708	4,868	23,499
Equipment and Maintenance	20,250	5,227	1,936	1,037	8,200	28,450
Occupancy	186,488	38,269	16,780	9,321	64,370	250,858
Advertising and Marketing	4,411	8,938	1,425	491	10,854	15,265
Printing and Publications	4,082	3,760	9,027	3,657	16,444	20,526
Local Travel and Meetings	19,647	10,875	894	5,585	17,354	37,001
Training, Seminars and Conventions	6,991	4,164	351	189	4,704	11,695
Dues and Subscriptions	450	6,693	4,851	55	11,599	12,049
Scholarships	6,000	-	-	-	-	6,000
Interest	2,380	487	228	122	837	3,217
Insurance	39,861	8,094	3,553	1,965	13,612	53,473
Miscellaneous	3,760	3,015	5,017	877	8,909	12,669
National BBBS Dues	17,835	3,651	1,705	913	6,269	24,104
Total Expense Before Depreciation	2,352,829	636,999	515,989	117,799	1,270,787	3,623,616
Depreciation Expense	27,139	5,387	2,439	1,361	9,187	36,326
Total Expenses	$ 2,379,968	$ 642,386	$ 518,428	$ 119,160	$ 1,279,974	$ 3,659,942
Percent of Total Expenses	65.0%	17.6%	14.2%	3.3%	35.0%	100.0%

See accompanying Notes to Financial Statements.

BIG BROTHERS BIG SISTERS OF THE GREATER TWIN CITIES
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,331,008	$ 1,292,485
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	19,831	36,326
Realized Loss on Sale of Investments	2	997
Unrealized (Gain) Loss on Investments	36,916	(108,636)
Gain on Disposal of Assets	(100)	-
(Increase) Decrease in Community Foundation Holdings	865	(712)
Permanently Restricted Contributions	(1,400)	-
Increase in Allowance for Uncollectible Pledges	7,374	317
(Increase) Decrease in Current Assets:		
Grants Receivable	28,630	12,506
Pledges Receivable	(588,614)	(620,792)
Prepaid Expenses and Accrued Interest	30,253	(25,178)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	13,303	10,858
Accrued Expenses	35,304	6,289
Deferred Rent	5,442	(5,021)
Net Cash Provided by Operating Activities	1,918,814	599,439
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds Received from Sale of Assets	100	-
Purchase of Property and Equipment	(19,178)	(39,025)
Proceeds Received from Sale of Investments	546,810	314,260
Purchase of Investments	(1,591,456)	(138,018)
Net Cash Provided (Used) by Investing Activities	(1,063,724)	137,217
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Payments, Line of Credit	-	(295,000)
Principal Payments on Capital Lease Obligations	(4,443)	(4,119)
Permanently Restricted Contributions Received	1,400	-
Net Cash Used by Financing Activities	(3,043)	(299,119)
NET INCREASE IN CASH AND CASH EQUIVALENTS	852,047	437,537
Cash and Cash Equivalents - Beginning of Year	606,280	168,743
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,458,327	$ 606,280
SUPPLEMENTAL INFORMATION		
Interest Paid	$ 1,220	$ 3,583

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Big Brothers Big Sisters of the Greater Twin Cities (the Agency) is one of the largest affiliates of Big Brothers Big Sisters of America, the largest and longest operating mentoring program in the country. The Agency was incorporated in 2002 under the laws of the State of Minnesota as a nonprofit organization by consolidating Big Brothers Big Sisters of Greater Minneapolis and Big Brothers Big Sisters of Greater St. Paul, Inc., which had been serving the Twin Cities metro area since 1920. The Agency's mission is to provide children facing adversity with strong and enduring, professionally supported 1-to-1 relationships that change their lives for the better, forever.

The primary activity of the Agency is the creation of long-term friendships for children between the ages of 7 and 21 with committed, responsible adult volunteers to promote healthy child development. New mentoring relationships are made in the Community-based program with youth ages 8 to 12 and in the Site-based program with youth ages 7 to 18 (as Littles and as high school mentors). The Agency is devoted to providing a caring adult in the life of every child who needs or wants one, through the framework of our core values of relationships, inclusion, personal growth, safety and stewardship to:

- Build and support strong healthy relationships with community partners and for all mentors and youth.
- Maintain a culture that is inclusive of all youth, volunteers and staff.
- Provide opportunities and experiences for all youth, volunteers and staff that lead to enriching their lives.
- Make informed decisions and provide tools to ensure the safety of our staff and the youth and volunteers we serve.
- Use resources entrusted to us to create and support positive and strong mentoring relationships.

Financial Statement Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the board of directors.

Board Designated – The board each year determines an appropriate balance given market conditions, operating requirements and Agency initiatives, and is held as reserve for future use. Some of the Better Futures Campaign net assets at the end of 2015 and 2014 are related to funds raised through the Better Futures Campaign that were unrestricted gifts, a drive to raise funds to enrich services to children, mentor more children, and build the infrastructure to sustain the agency's ability to further its mission in serving children.

Temporarily Restricted – Net assets subject to donor-imposed restrictions that will be met either by actions of the Agency and/or the passage of time.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Permanently Restricted – Net assets subject to donor-imposed restrictions that are to be maintained permanently by the Agency. Income and realized and unrealized gains are expendable to support the activities of the Agency.

Nonoperating activities represent permanently restricted and endowment contributions, realized and unrealized investment gains or losses, gains or losses on the disposal of fixed assets and the change in Community Foundation Holdings.

Use of Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles (GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Contributions

The Agency reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor 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. Temporarily restricted contributions whose restrictions are met in the same period are recorded as unrestricted contributions. Contributions of long-lived assets are reported as restricted support only if restricted by the donor.

Cash and Cash Equivalents

Cash and cash equivalents of the Agency are maintained at two financial institutions located in Minnesota. At times the account at one institution exceeds the Federal Deposit Insurance limit of $250,000.

Grants and Pledges Receivable

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional pledges and grants are not included as support until such time as the conditions are substantially met. Pledges and grants that are expected to be collected within one year are recorded at their net realizable value. Pledges and grants that are expected to be collected in future years are recorded at the present value of the amount expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. The Agency reserves for bad debts using the allowance method which is based on management judgment considering significant patterns of uncollectibility and historical information.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Fair Value Measurements

Investments in mutual funds and hedge funds are considered held for long term, and recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Donated assets are recorded at fair value at the date of donation. The Agency records the change of ownership of securities on the day a trade is made. Investment income or loss and unrealized gains or losses are included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or by law.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. In addition, the Agency's investments include limited partnerships that are diversified funds of hedge funds, which are recorded at the fair value of the underlying assets in the limited partnerships. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements.

The Agency at certain times throughout the year holds certificates of deposit at one institution, with interest rates of .19% and original maturities of 12 months or less. These certificates are brokered, recorded at fair value and classified as short-term investments for the Agency.

The Agency categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Agency has the ability to access. Level 1 assets of the Agency include certificates of deposit and mutual funds.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Fair Value Measurements (Continued)

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. Securities valued using Level 3 inputs include funds held on behalf of the Agency at a community foundation. The Agency's securities that are also valued using Level 3 inputs include fund of funds alternative investments.

Property and Equipment

Leasehold improvements, equipment, and furniture and fixtures are stated at cost (capitalization threshold of $2,000) at the date of acquisition or fair market value at date of donation in the case of donated property. 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. Property and equipment is depreciated over the lives of the assets using the straight-line method. Furniture and equipment is depreciated over an estimated life of five years and computers and peripherals over an estimated life of three years. Leasehold improvements are amortized over the shorter of the life of the lease or the life of the asset.

Advertising and Marketing

Advertising and marketing costs are expensed when incurred.

Functional Expenses

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated on the best estimates of management.

Tax Status

The Agency is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and similar Minnesota Statutes. The Agency is not considered a private foundation and contributions to the Agency are considered tax deductible.

The Agency follows the standard for accounting for uncertainty in income taxes recognized in an organization's financial statements. The policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized.

The Agency files as a tax-exempt organization.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Donated Services and Assets

Contributions of services are recognized 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. Contributions of tangible assets are recognized at fair market value when received.

Subsequent Events

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through December 18, 2015, the date the financial statements were available to be issued. Subsequent to year-end, the Agency received a contribution of $1,275,000 from one donor and $500,000 from another donor.

NOTE 2 PLEDGES RECEIVABLE

Unconditional promises to give are included in the financial statements as pledges receivable and revenue in the appropriate net asset category.

Unconditional promises to give at September 30 are expected to be realized in the following periods:

	2015	2014
Pledges Receivable	$ 1,813,574	$ 1,172,674
Allowance for Uncollectible Pledges	(8,200)	(853)
Net Present Value Discount at 5%	(88,123)	(35,810)
Total	$ 1,717,251	$ 1,136,011
Amounts Due In:		
Less Than One Year	$ 995,714	$ 821,688
One to Five Years	721,537	314,323
Total	$ 1,717,251	$ 1,136,011

NOTE 3 INVESTMENTS

Investments consist of the following at September 30:

	2015	2014
Investments:		
Short-Term Investments:		
Certificates of Deposit	$ 1,000,994	$ -
Long-Term Investments:		
Stock Mutual Funds	1,002,792	1,012,996
Bond Mutual Funds	541,719	518,729
Real Estate Mutual Funds	43,211	44,131
Hedge Fund of Funds	7,190	11,199
Cash Held for Investment Purposes	3,543	4,666
Total Long-Term Investments	1,598,455	1,591,721
Total Investments	$ 2,599,449	$ 1,591,721

The Agency's investment in a hedge fund of funds is in liquidation. The balance in the hedge funds is recorded at its net asset value. The Agency has elected to receive full redemption which will occur over the next three years.

NOTE 4 FAIR VALUE MEASUREMENTS

The following tables present the fair value hierarchy for the balances of the assets of the Agency measured at fair value on a recurring basis as of September 30:

	2015			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	$ 1,000,994	$ -	$ -	$ 1,000,994
Stock Mutual Funds	1,002,792	-	-	1,002,792
Bond Mutual Funds	541,719	-	-	541,719
Real Estate Mutual Funds	43,211	-	-	43,211
Hedge Fund of Funds	-	-	7,190	7,190
Community Foundation Holdings	-	-	11,359	11,359
Total	$ 2,588,716	$ -	$ 18,549	$ 2,607,265

	2014			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	$ -	$ -	$ -	$ -
Stock Mutual Funds	1,012,996	-	-	1,012,996
Bond Mutual Funds	518,729	-	-	518,729
Real Estate Mutual Funds	44,131	-	-	44,131
Hedge Fund of Funds	-	-	11,199	11,199
Community Foundation Holdings	-	-	12,224	12,224
Total	$ 1,575,856	$ -	$ 23,423	$ 1,599,279

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Assets and Liabilities

The following tables provide a summary of changes in fair value of the Agency's Level 3 financial assets for the years ended September 30, 2015 and 2014:

	Hedge Fund of Funds	Community Fund Holdings	Total
Balance as of October 1, 2014	$ 11,199	$ 12,224	$ 23,423
Withdrawals	(4,009)	-	(4,009)
Realized Gain	-	-	-
Unrealized Loss	-	-	-
Change in Value of Community Foundation Holdings	-	(865)	(865)
Balance as of September 30, 2015	$ 7,190	$ 11,359	$ 18,549

	Hedge Fund of Funds	Community Fund Holdings	Total
Balance as of October 1, 2013	$ 15,479	$ 11,512	$ 26,991
Withdrawals	(2,937)	-	(2,937)
Realized Gain	-	-	-
Unrealized Loss	(1,343)	-	(1,343)
Change in Value of Community Foundation Holdings	-	712	712
Balance as of September 30, 2014	$ 11,199	$ 12,224	$ 23,423

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	2015	2014
Leasehold Improvements	$ 73,432	$ 73,319
Equipment	305,259	289,513
Furniture and Fixtures	233,294	233,294
Total Property and Equipment	611,985	596,126
Less: Accumulated Depreciation	(543,378)	(526,866)
Property and Equipment - Net	$ 68,607	$ 69,260

NOTE 6 LINE OF CREDIT

The Agency has a $300,000 line of credit agreement with a financial institution. The line expires May 14, 2016 and is subject to renewal on an annual basis. The line requires interest at prime rate plus 1.25% with a floor of 4.0%. The Agency's assets are security for any principal amounts borrowed under the agreement. At September 30, 2015 and 2014, there was $-0- outstanding on the line of credit.

NOTE 7 CAPITAL LEASE

The Agency has capital lease agreements for a postage machine and a copier. The cost of the equipment was $23,380 as of September 30, 2015 and 2014. The accumulated depreciation as of September 30, 2015 and 2014 is $11,876 and $7,200, respectively. The following is a schedule of future minimum payments required under the leases:

Year Ending September 30,	Amount
2016	$ 5,664
2017	5,664
2018	2,902
Total Minimum Lease Payments	14,230
Less: Amount Representing Interest	1,340
Present Value of Minimum Lease Payments	12,890
Less: Current Capital Lease Obligation	4,811
Net Long-Term Capital Lease Obligation	$ 8,079

NOTE 8 OPERATING LEASES

The Agency leases its office space under an operating lease which requires a monthly base rent, plus real estate taxes and operating expenses. The original lease expired in November 2008. In October 2007, the lease was amended to extend maturity to November 2016. In October 2013, the Agency again amended its lease to extend maturity to November 2020. Monthly base rent under the lease ranges from approximately $13,526 to $15,029.

For the years ended September 30, 2015 and 2014, rental expenses were as follows:

	2015	2014
Base Rent Paid on a Straight-Line Basis	$ 173,634	$ 147,329
Real Estate Taxes and Operating Expenses	128,997	101,088
Other Equipment Lease Expense	600	600
Total	$ 303,231	$ 249,017

The future payments on the leases as of September 30, 2015 are as follows:

Year Ending September 30,	Amount
2016	$ 319,621
2017	314,701
2018	316,304
2019	319,911
2020	323,518
Thereafter	54,104
Total	$ 1,648,159

NOTE 9 NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30:

	2015	2014
Program Restricted	$ 974,286	$ 676,406
Time Restricted	1,121,160	566,805
Total Temporarily Restricted Net Assets	$ 2,095,446	$ 1,243,211

Net assets released from restrictions were released for the following uses during the years ended September 30:

	2015	2014
Program Restricted	$ 518,561	$ 24,318
Time Restricted	505,946	467,446
Total Assets Released from Restriction	$ 1,024,507	$ 491,764

During the year ended September 30, 2015, the Agency released an endowment for $40,000 by following requirements of the Minnesota Attorney General. This release removed $40,000 of the endowment from permanently restricted net assets and $21,365 of earnings from temporarily restricted net assets.

Permanently Restricted Net Assets

Permanently restricted net assets are restricted for the following purposes at September 30:

	2015	2014
Scholarships	$ 21,740	$ 21,740
Memorial Funds	36,484	36,484
Camp Program Funds	-	40,000
Community Foundation Holdings	11,359	12,224
Other	5,000	3,600
Total Permanently Restricted Net Assets	$ 74,583	$ 114,048

NOTE 10 ENDOWMENT

The Agency's endowment consists of six individual funds established for a variety of purposes. The endowment includes permanent endowments only. Net assets associated with endowment funds, including funds designated by the board of directors to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

Application of Relevant Law

The Agency follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which governs the use of donor-restricted endowment funds for a not-for-profit organization.

NOTE 10 ENDOWMENT (CONTINUED)

Application of Relevant Law (Continued)

The Board of Directors of the Agency has applied UPMIFA such that, absent donor stipulations to the contrary, donor-restricted endowment fund gifts are preserved at the fair value as of the date of gift. As a result of this application, the Agency classifies as permanently restricted net assets (1) the original value of the gifts to the permanent endowment, (2) the value of subsequent gifts to the permanent endowment, (3) accumulations made pursuant to the direction of the applicable donor gift investment at the time the accumulation is added to the fund, and (4) the portion of the investment return added to the funds to maintain its purchasing power.

Endowment net asset composition by type and changes in endowment net assets for the years ended September 30, 2015 and 2014 is as follows:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	$ -	$ 8,219	$ 63,224	$ 71,443

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	$ -	$ 30,089	$ 101,824	$ 131,913

The following is a summary of endowment funds subject to UPMIFA for the years ended September 30, 2015 and 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Investments October 1, 2014	$ -	$ 30,089	$ 101,824	$ 131,913
Investment Income	-	(505)	-	(505)
Contributions	-	-	1,400	1,400
Release from Restriction (see Note 9)	-	(21,365)	(40,000)	(61,365)
Endowment Investments September 30, 2015	$ -	$ 8,219	$ 63,224	$ 71,443

NOTE 10 ENDOWMENT (CONTINUED)

Application of Relevant Law (Continued)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Investments October 1, 2013	$ -	$ 20,857	$ 101,824	$ 122,681
Investment Income	-	9,232	-	9,232
Endowment Investments September 30, 2014	$ -	$ 30,089	$ 101,824	$ 131,913

Fund with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Agency to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. There were deficiencies of $-0- as of September 30, 2015 and 2014.

Investment Objectives and Strategies

The Agency has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to manage for consistent total returns with a long-term growth objective, manage with a moderate level of risk, and maintain sufficient diversification of assets. To achieve these objectives, the Agency follows an asset diversification plan, sets performance benchmarks for investments managers, and has established various asset quality and limitations thresholds. An investment advisory committee regularly reviews investment diversification and performance.

NOTE 11 RETIREMENT SAVINGS PLAN

The Agency has a 403(b) retirement savings plan covering all eligible employees. The Agency makes discretionary contributions to the plan. Pension expense was $49,619 and $47,155 for the years ended September 30, 2015 and 2014, respectively.

NOTE 12 CONCENTRATIONS

The Agency receives a substantial portion of its operating support from the United Way. They received the following commitments for support as of September 30:

	2015	2014
United Way - Allocation Support	$ 475,000	$ 558,000
United Way - Designated Support	129,771	169,159
Total	$ 604,771	$ 727,159

The Agency received 43% and 29% of its operating support from two donors for the years ended September 30, 2015 and 2014, respectively.

The Agency's pledges receivable are from a limited number of individuals and organizations. As of September 30, 2015 and 2014, 20% and 36%, respectively, of the outstanding pledges were due from the United Way for Allocation Support. As of September 30, 2015 and 2014, 51% and 41% of pledges, respectively, were from three and two donors, respectively.

The Agency's government grants receivables are from a limited number of governmental agencies.

NOTE 13 IN-KIND DONATIONS AND SERVICES

The Agency records various types of in-kind support, including certain professional services, materials, and equipment. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or increase in property and equipment.

NOTE 13 IN-KIND DONATIONS AND SERVICES (CONTINUED)

The Agency has recognized contributions for the following, with like amounts included in expenses or property and equipment for the years ended September 30, 2015 and 2014:

	2015	2014
In-Kind Donations and Services:		
Event Tickets	$ 38,898	$ 36,507
Gala Décor	8,000	14,239
Gift Certificates	4,048	2,698
Investment Analysis	10,000	10,000
Services	7,441	915
Food and Beverage	15,300	14,383
Supplies	741	1,146
Other	1,654	6,278
Total In-Kind Donations and Services	$ 86,082	$ 86,166
In-Kind Expense Allocation:		
Program Services	$ 38,182	$ 29,071
Management and General	13,911	10,915
Fundraising	31,864	43,335
Volunteer Recruiting	2,125	2,845
Total In-Kind Expense Allocation	$ 86,082	$ 86,166

In-kind contributions relating to special events in the amount of $31,864 and $43,335 are included in net special event revenue for the years ended September 30, 2015 and 2014, respectively.

NOTE 14 VOLUNTEER SERVICES

The Agency receives a significant amount of services from many unpaid volunteers who support the Agency's primary programmatic activities and supporting services. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied. However, volunteers are integral in carrying out the mission of the Agency.

NOTE 15 RELATED PARTY TRANSACTIONS

Annual dues paid to Big Brothers Big Sisters of America (BBBSA) were $22,028 and $24,104 during the years ended September 30, 2015 and 2014, respectively. For the years ended September 30, 2015 and 2014, the Agency received funding from BBBSA of $12,229 and $40,000, respectively, in the form of pass-through contributions. Pass-through contribution funding is awarded annually from BBBSA to various Big Brothers Big Sisters agencies across the nation.

Board members contributed $443,674 and $246,317 during the years ended September 30, 2015 and 2014, respectively.

NOTE 16 LITIGATION

The Agency is involved in legal claims incidental to the normal course of its activities. The Agency maintains liability insurance coverage for such contingencies which could potentially be exceeded by claims. Although the ultimate outcomes are not reasonably determinable or probably, management believes, based on their current assessment, that the final disposition of these claims will not have a material adverse effect on the financial position of the Agency.