Big Brothers Big Sisters
of Metro Atlanta

REPORT ON AUDITS OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Brothers Big Sisters of Metro Atlanta, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of Big Brothers Big Sisters of Metro Atlanta, Inc. (the "Agency"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and net assets, 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.

Auditor's 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 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 Agency'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 Agency'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 Big Brothers Big Sisters of Metro Atlanta, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Jones and Kolb

March 18, 2016

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
ASSETS		
Cash	$ 424,913	$ 155,126
Grants and other receivables	28,000	25,745
Promises to give, net	1,420,776	303,440
Capital campaign pledges receivable, net	1,071,926	391,210
Investments	212,657	220,348
Property and equipment, net	5,875,133	5,971,075
Other assets	29,091	28,976
Total assets	$ 9,062,496	$ 7,095,920
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 171,111	$ 89,896
Lines of credit	2,060,000	2,100,000
Note payable	454,000	3,200,000
Capital lease payable	-	26,752
Total liabilities	2,685,111	5,416,648
NET ASSETS		
Unrestricted		
Undesignated	4,568,864	956,800
Board designated	181,827	188,621
Total unrestricted	4,750,691	1,145,421
Temporarily restricted	1,601,694	508,851
Permanently restricted	25,000	25,000
Total net assets	6,377,385	1,679,272
Total liabilities and net assets	$ 9,062,496	$ 7,095,920

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

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Public support				
United Way	$ 303,072	$ 202,149	$ -	$ 505,221
Grants	293,724	-	-	293,724
Other public support	461,446	1,246,509	-	1,707,955
Corporate contributions	495,800	147,211	-	643,011
Capital campaign contributions	3,683,855	-	-	3,683,855
Special events	1,218,057	-	-	1,218,057
Less: Costs of direct benefits to donors	(349,425)	-	-	(349,425)
Total public support	6,106,529	1,595,869	-	7,702,398
Revenue				
Other income	5,034	-	-	5,034
Investment loss	(4,053)	(538)	-	(4,591)
Total revenue	981	(538)	-	443
Total public support and revenue	6,107,510	1,595,331	-	7,702,841
NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS	502,488	(502,488)	-	-
EXPENSES				
Program services	2,101,888	-	-	2,101,888
Support services				
Management and general	344,945	-	-	344,945
Fundraising	557,895	-	-	557,895
Total support services	902,840	-	-	902,840
Total expenses	3,004,728	-	-	3,004,728
CHANGE IN NET ASSETS	3,605,270	1,092,843	-	4,698,113
NET ASSETS Beginning of year	1,145,421	508,851	25,000	1,679,272
NET ASSETS End of year	$ 4,750,691	$ 1,601,694	$ 25,000	$ 6,377,385

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

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Public support				
United Way	$ 326,196	$ 183,832	$ -	$ 510,028
Grants	227,198	-	-	227,198
Other public support	219,286	-	-	219,286
Corporate contributions	365,492	66,667	-	432,159
Capital campaign contributions	213,928	-	-	213,928
Special events	1,237,261	-	-	1,237,261
Less: Costs of direct benefits to donors	(384,659)	-	-	(384,659)
Total public support	2,204,702	250,499	-	2,455,201
Revenue				
Other income	9,241	-	-	9,241
Investment income	4,938	705	-	5,643
Total revenue	14,179	705	-	14,884
Total public support and revenue	2,218,881	251,204	-	2,470,085
NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS	807,794	(807,794)	-	-
EXPENSES				
Program services	2,050,260	-	-	2,050,260
Support services				
Management and general	400,629	-	-	400,629
Fundraising	474,720	-	-	474,720
Total support services	875,349	-	-	875,349
Total expenses	2,925,609	-	-	2,925,609
CHANGE IN NET ASSETS	101,066	(556,590)	-	(455,524)
NET ASSETS				
Beginning of year	1,044,355	1,065,441	25,000	2,134,796
NET ASSETS				
End of year	$ 1,145,421	$ 508,851	$ 25,000	$ 1,679,272

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

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

		Support Services			
	Program Services	Management and General	Fundraising	Total	Total
Salaries	$ 904,512	$ 195,013	$ 332,216	$ 527,229	$ 1,431,741
Payroll taxes	75,384	16,253	27,688	43,941	119,325
Fringe benefits	74,453	16,052	27,346	43,398	117,851
Total compensation and benefits	1,054,349	227,318	387,250	614,568	1,668,917
Interest	203,885	26,768	21,624	48,392	252,277
Professional fees	161,668	34,460	47,126	81,586	243,254
Occupancy	131,833	17,308	13,982	31,290	163,123
Depreciation	129,248	16,969	13,708	30,677	159,925
IT expenses	66,297	3,961	19,326	23,287	89,584
Match support activities	85,366	-	-	-	85,366
Telephone	48,388	2,891	14,105	16,996	65,384
Insurance	45,447	5,967	4,820	10,787	56,234
Miscellaneous	32,520	1,943	9,480	11,423	43,943
Fiscal agent expense	40,845	-	-	-	40,845
Conferences and meetings	18,474	1,104	5,385	6,489	24,963
Equipment rental and maintenance	17,638	2,316	1,871	4,187	21,825
Printing	14,865	888	4,333	5,221	20,086
Supplies	14,824	886	4,321	5,207	20,031
Big Brothers Big Sisters of America	12,449	744	3,629	4,373	16,822
Membership dues	5,938	355	1,731	2,086	8,024
Staff development	5,821	348	1,697	2,045	7,866
Postage	5,425	324	1,581	1,905	7,330
Travel	4,746	284	1,383	1,667	6,413
Dues and subscriptions	1,862	111	543	654	2,516
Total expenses	$ 2,101,888	$ 344,945	$ 557,895	$ 902,840	$ 3,004,728

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

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services	Support Services			Total
		Management and General	Fundraising	Total	
Salaries	$ 910,156	$ 226,033	$ 285,140	$ 511,173	$ 1,421,329
Payroll taxes	76,279	18,944	23,897	42,841	119,120
Fringe benefits	75,013	18,629	23,501	42,130	117,143
Total compensation and benefits	1,061,448	263,606	332,538	596,144	1,657,592
Professional fees	187,937	45,606	43,641	89,247	277,184
Interest	221,575	29,091	23,501	52,592	274,167
Depreciation	176,851	23,219	18,757	41,976	218,827
Occupancy	108,715	14,273	11,530	25,803	134,518
IT expenses	61,712	5,413	12,721	18,134	79,846
Insurance	46,199	6,066	4,900	10,966	57,165
Telephone	39,359	3,453	8,114	11,567	50,926
Match support activities	44,013	-	-	-	44,013
Equipment rental and maintenance	20,997	2,757	2,227	4,984	25,981
Printing	16,180	1,419	3,335	4,754	20,934
Miscellaneous	15,455	1,356	3,186	4,542	19,997
Big Brothers Big Sisters of America	15,344	1,346	3,163	4,509	19,853
Supplies	11,168	980	2,302	3,282	14,450
Conferences and meetings	10,890	955	2,245	3,200	14,090
Postage	4,876	428	1,005	1,433	6,309
Travel	3,322	291	685	976	4,298
Dues and subscriptions	3,210	282	662	944	4,154
Staff development	1,009	88	208	296	1,305
Total expenses	$ 2,050,260	$ 400,629	$ 474,720	$ 875,349	$ 2,925,609

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

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4,698,113	$ (455,524)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Depreciation	159,925	218,827
Capital campaign contributions revenue	(3,683,855)	(213,928)
Net realized and unrealized (gain) loss on investments	10,516	(588)
Donated property and equipment	(38,550)	-
Change in grants and other receivables	(2,255)	(2,354)
Change in promises to give	(1,117,336)	70,972
Change in other assets	(115)	6,799
Change in accounts payable and accrued expenses	81,215	(60,437)
Total adjustments	(4,590,455)	19,291
Net cash provided by (used in) operating activities	107,658	(436,233)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchases of investments	(96,482)	(42,016)
Proceeds from sales of investments	93,657	40,091
Payments for purchases of property and equipment	(25,433)	(2,808)
Net cash used in investing activities	(28,258)	(4,733)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital campaign contributions received	3,003,139	822,886
Net proceeds from (payments on) lines of credit	(40,000)	40,000
Payments on note payable	(2,746,000)	(250,000)
Payments on capital lease payable	(26,752)	(100,829)
Net cash provided by financing activities	190,387	512,057
NET INCREASE IN CASH	269,787	71,091
CASH, Beginning of year	155,126	84,035
CASH, End of year	$ 424,913	$ 155,126
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Interest paid	$ 252,277	$ 274,167

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

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Big Brothers Big Sisters of Metro Atlanta, Inc. (the "Agency") is a Georgia nonprofit organization that seeks to provide children facing adversity with strong and enduring professionally supported, one-to-one relationships that change their lives for the better, forever. The Agency actively seeks to assist children of every ethnic, racial, national, cultural and religious group in the metropolitan Atlanta area who may need additional positive role models to enrich their lives.

B. The accompanying financial statements have been prepared using the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned and expenses are recognized when incurred.

C. The Agency classifies net assets, revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Agency and changes therein have been classified as unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

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

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that will be maintained permanently by the Agency. Generally, the donors of these assets permit the Agency to use all or part of the income earned on related investments for general or special purposes.

Revenues from sources other than contributions are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Non-cash contributions are recorded at estimated fair value at the date of the gift. Expenses are reported as decreases in unrestricted net assets. Realized and unrealized gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or relate to permanently restricted endowment net assets.

When donor-imposed restrictions on net assets expire, net assets are reclassified from temporarily restricted net assets to unrestricted net assets. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

D. The Agency places its cash with high-credit quality financial institutions. At times, such cash may be in excess of the FDIC insurance limit.

E. The Agency records grant revenues over the period of the award and the provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred. Amounts that have been received but not earned are included in accounts payable and accrued expenses on the Statements of Financial Position.

F. Contributions to be received in less than one year are reported at net realizable value. Contributions to be received in one year or more are initially reported at fair value, estimated by discounting them to their present value at a risk-adjusted rate. Thereafter, amortization of the discount is recorded as additional contribution revenue. An allowance is made for uncollectible promises to give and capital campaign pledges receivable based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

G. Conditional promises to give are recognized when the conditions are substantially met. During the year ended December 31, 2011, the Agency received conditional grants of $1,000,000 and $250,000, which are conditional upon the Agency receiving total capital campaign pledges of at least $5,670,000 and $5,600,000, respectively, including these grants. During year ended December 31, 2015, the Agency has met these stipulated conditions and this revenue has been recorded on the accompanying Statements of Activities and Net Assets.

H. Investments include equities, fixed income instruments and money market accounts that are carried at fair value. Increases and decreases in market value are reported as investment income (loss) on the Statements of Activities and Net Assets.

I. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Purchased property and equipment with values greater than or equal to $500 are stated at historical cost. Donated property and equipment are recorded at the approximate fair value at the date of donation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Estimated useful lives of the assets range from three to thirty-nine years. Depreciation expense was $159,925 and $218,827 for the years ended December 31, 2015 and 2014, respectively.

K. The Agency records donated services if the fair market value of the donated services is readily available and meets the criteria for recognition. There were no donated services meeting these criteria for the years ended December 31, 2015 and 2014.

L. The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended. The Internal Revenue Service has classified the Agency as a publicly supported charitable organization as described in Section 509(a) of the Internal Revenue Code, which allows donors to take the maximum charitable deduction.

M. The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Net Assets and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

N. Subsequent events have been evaluated by management through March 18, 2016, the date these financial statements were available to be issued.

2. PROMISES TO GIVE

Unconditional promises to give at December 31, 2015 and 2014 are as follows:

	2015	2014
Receivable in less than one year	$ 919,973	$ 344,759
Receivable in one to four years	520,000	-
Total promises to give	1,439,973	344,759
Allowance for doubtful accounts	(5,000)	(41,319)
Unamortized discount at 1.31%	(14,197)	-
Promises to give, net	$ 1,420,776	$ 303,440

3. CAPITAL CAMPAIGN PLEDGES RECEIVABLE

The Agency engaged in a capital campaign to finance the purchase of land and the new building. Capital campaign pledges receivable at December 31, 2015 and 2014 are as follows:

	2015	2014
Receivable in less than one year	$ 728,400	$ 404,929
Receivable in one to four years	381,377	-
Total capital campaign pledges receivable	1,109,777	404,929
Allowance for doubtful accounts	(30,406)	(13,719)
Unamortized discount at 1.31%	(7,445)	-
Capital campaign pledges receivable, net	$ 1,071,926	$ 391,210

4. INVESTMENTS

U.S. generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets or other observable inputs other than quoted market prices. Level 3 within the hierarchy states that valuations are based on significant unobservable inputs. At December 31, 2015 and 2014, the only assets that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments. Such investments are classified within Level 1 of the valuation hierarchy.

The following is a summary of investments, stated at fair value based on quoted market prices, held at December 31, 2015 and 2014:

	2015	2014
Equities	$ 108,700	$ 106,696
Fixed income instruments	87,449	96,835
Money market	16,508	16,817
Investments	$ 212,657	$ 220,348

The following schedule summarizes investment income (loss) for the years ended December 31, 2015 and 2014:

	2015	2014
Net realized and unrealized gain (loss)	$ (10,516)	$ 588
Interest and dividend income	5,925	5,055
Investment income (loss)	$ (4,591)	$ 5,643

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2015 and 2014:

	2015	2014
Land	$ 2,108,884	$ 2,108,884
Building	4,062,210	4,062,210
Equipment and computer software	275,487	215,845
Furniture and fixtures	307,795	303,455
Total	6,754,376	6,690,394
Less accumulated depreciation	(879,243)	(719,319)
Property and equipment, net	$ 5,875,133	$ 5,971,075

6. LINES OF CREDIT

The Agency had a line of credit with a maximum borrowing limit of $1,100,000 and a maturity date of November 17, 2015. The line bore interest at the prime rate, subject to a floor of 5.25%, which was effectively 5.25% at December 31, 2014. At December 31, 2014, the outstanding balance on this line of credit was $1,100,000. During the year ended December 31, 2015, the Agency restructured the $1,100,000 line of credit to expire on December 16, 2016 and bear interest at the prime rate plus one percentage point, subject to a floor of 4.25%, effectively 4.50% at December 31, 2015. This restructured line of credit is first secured by Agency's investments and then the land and building. At December 31, 2015, the outstanding balance is $1,080,000.

The Agency had a construction line of credit to finance the construction and renovation costs of the building with a maximum borrowing limit of $1,000,000 and a maturity date of October 1, 2015. This line of credit bore interest at the prime rate, subject to a floor of 5.25%, effectively 5.25% at December 31, 2014. At December 31, 2014, the outstanding balance was $1,000,000. During the year ended December 31, 2015, the Agency restructured the $1,000,000 construction line of credit to expire on December 16, 2016 and bear interest at the prime rate plus one percentage point, subject to a floor of 4.25%, effectively 4.50% at December 31, 2015. This construction line of credit is secured by the land and building. At December 31, 2015, the outstanding balance is $980,000.

7. NOTE PAYABLE

On May 16, 2011, the Agency obtained a $3,950,000 note secured by the purchased land and building. On February 3, 2014, the note was amended to extend the maturity date and modify the principal payment schedule and interest rates. The note bears interest at a rate of 3% for the first year, 3.5% for the second year, 4% for the third year, 4.25% for the fourth year and 4.5% thereafter until the note is paid in full. Interest is payable monthly and principal payments of $250,000 are due annually. The outstanding principal and accrued interest are due in full upon maturity, which is May 15, 2016. At December 31, 2015 and 2014, the outstanding principal balance was $454,000 and $3,200,000, respectively.

8. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2015 and 2014, temporarily restricted net assets consists of the following:

	2015	2014
Mentoring Children of Prisoners	$ 1,236,509	$ 251,625
Match support	278,816	250,499
Lilburn and Radloff Middle School	39,294	-
Big Fit	25,000	-
Information technology	16,250	-
Donor-restricted endowment fund	5,825	6,727
Temporarily restricted net assets	$ 1,601,694	$ 508,851

Net assets released from restrictions for the years ended December 31, 2015 and 2014 were as follows:

	2015	2014
Capital campaign	$ 251,625	$ 502,537
Match support	250,499	304,866
Donor endowment	364	391
Net assets released from restrictions	$ 502,488	$ 807,794

9. PERMANENTLY RESTRICTED NET ASSETS

At December 31, 2015 and 2014, permanently restricted net assets consisted of grant funds from the Tull Charitable Foundation of $25,000.

10. ENDOWMENT

The Agency's endowment consists of a quasi-endowment, board-designated fund established for a variety of purposes and one donor-restricted endowment fund. Endowment assets include those assets of donor-restricted funds that the Agency must hold in perpetuity for a donor-specified period as well as board-designated funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

The Board of Directors of the Agency has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 ("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. As a result of this interpretation, the Agency classifies the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by UPMIFA. The Board of Directors appropriates funds from the endowment funds based on specific needs and budgeting requirements from year to year. In accordance with UPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Agency and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Agency; and,
(7) The investment policies of the Agency.

The Agency has adopted investment and spending policies that attempt to preserve endowment assets by using funding, via the annual operating budget, of up to 40% of the earnings on the endowment for the prior year. The Board of Directors has additional authority to approve additional funding when operating cash is insufficient. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed common benchmarks for a balanced portfolio, while assuming a moderate level of risk.

To satisfy its long-term rate-of-return objectives, the Agency relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Agency targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The composition of and changes in endowment funds at December 31, 2015 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 188,621	$ 6,727	$ 25,000	$ 220,348
Investment return:				
Investment income	5,230	695	-	5,925
Net realized and unrealized loss	(9,283)	(1,233)	-	(10,516)
Total investment return	(4,053)	(538)	-	(4,591)
Other changes:				
Amounts appropriated for expenditures	(2,741)	(364)	-	(3,105)
Total other changes	(2,741)	(364)	-	(3,105)
Endowment net assets, end of year	$ 181,827	$ 5,825	$ 25,000	$ 212,652

The composition of and changes in endowment funds at December 31, 2014 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 186,422	$ 6,413	$ 25,000	$ 217,835
Investment return:				
Investment income	4,424	631	-	5,055
Net realized and unrealized gain	514	74	-	588
Total investment return	4,938	705	-	5,643
Other changes:				
Amounts appropriated for expenditures	(2,739)	(391)	-	(3,130)
Total other changes	(2,739)	(391)	-	(3,130)
Endowment net assets, end of year	$ 188,621	$ 6,727	$ 25,000	$ 220,348

11. PENSION PLAN

The Agency has established a defined contribution plan for the benefit of its employees. Contributions and costs under the defined contribution pension plan are five percent of each employee's salary. For the years ended December 31, 2015 and 2014, the Agency elected to not make contributions to the plan.

12. RELATED PARTY

During the years ended December 31, 2015 and 2014, the Agency received support from Big Brothers Big Sisters of America ("BBBSA") of $100,000. At December 31, 2015, promises to give from BBBSA was $66,667. At December 31, 2014 promises to give from BBBSA was $107,986, net of an allowance for doubtful accounts of $41,319.

13. LEASES

The Agency has several operating leases for equipment with original lease terms of 36 to 48 months. Rent expense related to the equipment for the years ended December 31, 2015 and 2014 was $15,192 and $12,912, respectively. At December 31, 2015, future minimum payments required under operating leases are as follows:

Year Ending	Amount
December 31, 2016	$ 16,329
December 31, 2017	15,871
December 31, 2018	3,395
Total	$ 35,595

14. CONCENTRATIONS

The following schedule summarizes the concentrations in financial statements amounts at December 31, 2015 and 2014 and for the years then ended:

	Number of Donors	Concentration Percentage
Public support and revenue		
Year ended December 31, 2015	3	46%
Year ended December 31, 2014	1	21%
Promises to give, net		
December 31, 2015	2	85%
December 31, 2014	3	94%
Capital campaign pledges receivable, net		
December 31, 2015	1	53%
December 31, 2014	2	74%