

SANTA YNEZ VALLEY  
PEOPLE HELPING PEOPLE  
FINANCIAL STATEMENTS

JUNE 30, 2016

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

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# MELISSA PETERSEN & COMPANY

## CERTIFIED PUBLIC ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Santa Ynez Valley People Helping People

I have audited the accompanying financial statements of Santa Ynez Valley People Helping People (a California nonprofit organization), which comprise the statement of financial position as of June 30, 2016 and the related statements of activities, functional expenses and cash flows 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.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 Organization'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 Organization's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Santa Ynez Valley People Helping People as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

I have previously audited Santa Ynez Valley People Helping People's 2015 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated October 22, 2015. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Melinda", with a long horizontal flourish extending to the right.

Santa Barbara, California  
November 7, 2016

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2016 AND 2015

<u>ASSETS</u>		
	2016	2015
Current Assets		
Cash and cash equivalents	\$ 275,947	\$ 374,197
Contracts and grants receivable	301,720	198,891
Pledges receivable	7,850	-
Other receivables	26,862	13,058
Inventory	24,287	28,415
Other assets	43,425	34,038
Total Current Assets	680,091	648,599
Property and equipment (Note 5)	482,104	484,769
Total Assets	\$ 1,162,195	\$ 1,133,368
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 104,009	\$ 54,328
Accrued payroll and related expenses	68,765	72,423
Deferred revenue	-	12,472
Current portion of mortgage payable (Note 6)	7,880	7,534
Total Current Liabilities	180,654	146,757
Long Term Liabilities		
Mortgage payable (Note 6)	150,726	158,606
Total Long Term Liabilities	150,726	158,606
Total Liabilities	331,380	305,363
Net Assets		
Unrestricted	550,343	495,159
Board Designated (Note 7)	176,472	154,896
Temporarily restricted (Note 8)	104,000	177,950
Total Net Assets	830,815	828,005
Total Liabilities and Net Assets	\$ 1,162,195	\$ 1,133,368

The accompanying notes are an integral part of this financial statement

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	2016 Total	2015 Total All Funds
Support				
Contributions	\$ 89,182	\$ -	\$ 89,182	\$ 55,488
Foundation grants	102,500	65,000	167,500	347,500
Government agency contracts	667,661	-	667,661	657,189
In-kind contributions (Note 12)	601,684	-	601,684	517,171
Special events (net of expenses of \$209,782 and \$82,298, respectively)	149,905	39,000	188,905	171,160
<b>Total Support</b>	<b>1,610,932</b>	<b>104,000</b>	<b>1,714,932</b>	<b>1,748,508</b>
Revenue				
Thrift store sales	308,053	-	308,053	263,612
Rental income	17,315	-	17,315	16,498
Program fees	7,115	-	7,115	10,000
Investment gain/(loss)	435	-	435	119
Other revenue	10,962	-	10,962	2,967
<b>Total Revenue</b>	<b>343,880</b>	<b>-</b>	<b>343,880</b>	<b>293,196</b>
Net assets released from restrictions				
Expiration of program restrictions	177,950	(177,950)	-	-
<b>Total Support and Revenue</b>	<b>2,132,762</b>	<b>(73,950)</b>	<b>2,058,812</b>	<b>2,041,704</b>
Expenses				
Program Services	1,848,503	-	1,848,503	1,748,967
Supporting Services				
Administrative	85,456	-	85,456	30,325
Fundraising	122,043	-	122,043	116,834
<b>Total Supporting Services</b>	<b>207,499</b>	<b>-</b>	<b>207,499</b>	<b>147,159</b>
<b>Total Expenses</b>	<b>2,056,002</b>	<b>-</b>	<b>2,056,002</b>	<b>1,896,126</b>
Change in Net Assets	76,760	(73,950)	2,810	145,578
Net Assets at Beginning of Year	650,055	177,950	828,005	682,427
<b>Net Assets at End of Year</b>	<b>\$ 726,815</b>	<b>\$ 104,000</b>	<b>\$ 830,815</b>	<b>\$ 828,005</b>

The accompanying notes are an integral part of this financial statement

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	Program Services	Administrative	Fundraising	2016 Total	2015 Total
Salaries and wages	\$ 705,812	\$ 63,091	\$ 77,379	\$ 846,282	\$ 784,280
Payroll taxes	62,307	5,519	6,881	74,707	70,538
Employee benefits	139,845	7,108	12,313	159,266	111,386
Total salary and related expenses	907,964	75,718	96,573	1,080,255	966,204
Advertising	3,501	72	314	3,887	3,512
Amortization	20	1	1	22	22
Bank charges	5,865	120	527	6,512	6,030
Education and training	3,305	68	297	3,670	2,168
Equipment lease	-	-	-	-	4,736
In-Kind food (Note 12)	424,427	-	-	424,427	320,320
In-Kind other (Note 12)	25,169	-	-	25,169	30,145
In-Kind professional (Note 12)	59,980	2,855	12,860	75,695	104,251
In-Kind rent (Note 12)	74,700	-	-	74,700	63,300
Insurance	16,686	421	1,395	18,502	18,262
Interest	6,736	475	172	7,383	8,476
Licenses and taxes	-	-	-	-	1,644
Meeting expense	3,564	36	160	3,760	2,047
Mileage reimbursement	3,813	24	107	3,944	3,244
Office expense	4,431	1,510	398	6,339	8,389
Operating supplies	23,543	236	1,037	24,816	33,300
Outside services	107,290	703	3,088	111,081	125,102
Printing, postage and copy	11,324	185	813	12,322	8,100
Professional services	14,415	294	1,294	16,003	17,264
Program expenses	47,317	-	-	47,317	62,209
Rent	47,381	-	-	47,381	47,363
Repairs and maintenance	8,734	460	422	9,616	6,891
Security	1,089	77	27	1,193	869
Telephone	9,368	191	841	10,400	10,781
Travel	1,330	10	46	1,386	1,003
Utilities	13,265	943	328	14,536	15,098
Vehicle expense	6,866	140	616	7,622	6,625
Total Expenses Before Depreciation	1,832,083	84,539	121,316	2,037,938	1,877,355
Depreciation	16,420	917	727	18,064	18,771
Total Expenses	<u>\$ 1,848,503</u>	<u>\$ 85,456</u>	<u>\$ 122,043</u>	<u>\$ 2,056,002</u>	
Total Year Ended June 30, 2015	<u>\$ 1,748,967</u>	<u>\$ 30,325</u>	<u>\$ 116,834</u>		<u>\$ 1,896,126</u>

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 2,810	\$ 145,578
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	18,064	18,771
Changes in		
Contracts receivable	(102,829)	84,348
Grants receivable	-	45,000
Pledges receivable	(7,850)	-
Other receivables	(13,804)	20,339
Inventory	4,128	(2,631)
Other assets	(9,387)	(4,646)
Accounts payable and accrued expenses	49,681	(26,347)
Accrued payroll and related expenses	(3,658)	18,765
Deferred revenue	(12,472)	6,431
Net Cash (Used)/Provided by Operating Activities	<u>(75,317)</u>	<u>305,608</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	<u>(15,399)</u>	<u>(5,009)</u>
Net Cash Used by Investing Activities	<u>(15,399)</u>	<u>(5,009)</u>
Cash Flows from Financing Activities		
Principal payment on note payable	-	(19,598)
Principal payment on mortgage payable	<u>(7,534)</u>	<u>(7,203)</u>
Net Cash Used by Financing Activities	<u>(7,534)</u>	<u>(26,801)</u>
Net (Decrease)/Increase in Cash	(98,250)	273,798
Cash and Cash Equivalents, Beginning of Year	<u>374,197</u>	<u>100,399</u>
Cash and Cash Equivalents, End of Year	<u>\$ 275,947</u>	<u>\$ 374,197</u>



SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 1:        ORGANIZATION

Santa Ynez Valley People Helping People (the Organization) is a voluntary health and welfare organization qualifying under Internal Revenue Code Section 501(c)(3). The Organization is generally exempt from federal and state income taxes and is not considered a private foundation.

People Helping People is dedicated to improving the lives of men, women, and children in the Santa Ynez Valley, Los Alamos, and surrounding communities by addressing emergency and basic needs, furnishing comprehensive integrated family and individual support services, and acting as a catalyst for positive community change.

NOTE 2:        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization reports 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.

Unrestricted Net Assets: All contributions are considered to be unrestricted unless specifically restricted by the donor. Restricted contributions that are received and used in the same period are recorded as unrestricted net assets.

Temporarily Restricted Net Assets: Temporarily restricted net assets are assets received with donor restrictions which will be satisfied by particular expenditures or the passage of time.

Permanently Restricted Net Assets: Permanently restricted net assets consist of contributions and other inflows of funds subject to donor imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the actions of the Organization. At year end, the Organization had no permanently restricted net assets.

Basis of Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, including demand deposits and money market accounts.

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are recorded at market value.

Inventory

The Organization records inventory for goods on hand at its thrift store and food. The values of thrift store items are estimated based on the expected sale price of the donated goods. The value of food inventory is based on an estimated cost per pound.

Property and Equipment

The Organization records property and equipment at cost if purchased or at fair market value at time of contribution if donated and depreciates these assets using the straight-line method over their estimated useful lives. Buildings and improvements are depreciated over periods of 30 to 40 years, while furniture and equipment are depreciated over periods of 5 to 10 years. Assets with a cost of \$500 or more and useful life of more than one year are capitalized.

Contributions

Contributions and other inflows of funds temporarily subject to donor-imposed restrictions are reported as temporarily restricted. The restrictions are temporary in that they are expected to expire with the passage of time or be satisfied and removed by actions of the Organization that fulfill donor stipulations. Temporarily restricted contributions that are satisfied in the year of the contribution are shown as unrestricted contributions.

Donated Services

The Organization relies heavily on volunteers to perform certain services for some of its programs. Because these services do not meet specified criteria for recognition as income and expense, the value of these services has not been included in the Statement of Activities. The Organization also utilizes services provided by volunteer licensed professionals. The Organization uses the market rates the professionals charge to record the value of these donated services.

Donated Goods

The Organization receives donated goods for use in its various programs. The Organization records these donations at their estimated fair market value.

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxes

The Organization has been granted tax exempt status by the Internal Revenue Service and the Franchise Tax Board under section 501(c)(3) and 23071d, respectively. The Organization is not considered a private foundation.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized by function in the Statement of Functional Expenses. Direct costs are charged directly to the appropriate program. Joint costs such as insurance, rent and facility maintenance are allocated by using the direct costs of each program. The allocations are based on current data.

NOTE 3: PROGRAM SERVICES

The Organization's programs services fall into the following main categories:

Basic Needs

*Food*

With the support of the Santa Barbara County Foodbank and local donations, People Helping People delivers food to income-qualified families every other week from locations in Solvang and Los Alamos. In addition, PHP operates once monthly Farmers Markets in Buellton and Los Alamos, and "Fresh Rescue" pick-up locations four days per week. Locations change seasonally.

*Emergency Solutions*

The Organization provides assistance to help clients pay for utilities, transportation, rent, relocation, mortgage, temporary shelter and meals. Household goods and clothing may also be furnished upon presentation of approved vouchers at the Organization's thrift store.

Health & Wellness Services

*Community Health Access Resource Team (CHART), Adult and Children's Dental Funds, Behavioral Wellness, and Insurance Enrollment*

The Organization works with local doctors, dentists, counselors, pharmacies, and labs to provide free and/or discounted services to those who are uninsured or underinsured. Some services are reimbursed to the Organization by clients on a sliding scale based upon client income. The CHART program also includes a wide range of services designed to assist individuals and families in accessing necessary health care and social services.

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 3: PROGRAM SERVICES (Continued)

Health & Wellness Services (Continued)

*Behavioral Wellness*

PHP has employed an experienced M.F.T. to supervise interns completing advanced degrees and who need to complete hours of practice toward licensing. With additional interns, PHP has expanded counseling services for students and their families at the Santa Ynez Valley Union High, College, Solvang, S.Y. Charter, and Buellton School Districts and from its Solvang Service Center. Services are fully integrated with PHPs social services programs. PHP is also offering “Nurturing Parenting,” an evidenced based parent and child support program. This curriculum is designed to improve the relationships between parents and children.

*Insurance Enrollment*

PHP and its Family Service Advocates are qualified as Certified Enrollment Entity and Certified Enrollment Counselors respectively and enroll/re-enroll qualified individuals in State MediCal insurance programs.

Family and Individual Support Services

*Advocates for Domestic and Child Abuse Prevention (ADCAP)*

ADCAP is the only domestic violence intervention and prevention program serving the Santa Ynez Valley and surrounding area. The mission of the program is to break the cycle of domestic violence and child abuse by offering intervention, advocacy, education and support services to individuals and families. Certified Advocates respond to the scene of every domestic violence crime, twenty-four hours a day, seven days a week. Advocates provide immediate comfort and support to the survivors of the violence. Short term help may include medical attention and shelter. Longer term assistance may come from the Organization’s other direct service programs or help in successfully navigating the criminal justice system.

*Family Strengthening*

Services are designed to stabilize families in a financial or other type of crisis through provision of direct services from the Organization, links to help from other agencies, and on-going case management assistance, as long as necessary, from a PHP Family Services Advocate. Services are provided through the Organization’s network of school based Family Resource Centers and at its Service Center in Solvang.

*Advocacy*

The Organization provides assistance to individuals in handling government and business forms and regulations.

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 3: PROGRAM SERVICES (Continued)

Family and Individual Support Services (Continued)

*Christmas Fulfill-A-Wish*

The Organization operates the Fulfill-A-Wish program to provide approximately 100 local families, including 300 or more children, with holiday gifts, clothing, and toys. Donated and some purchased items are displayed in a holiday “boutique” environment in a donated store front and parents are given the opportunity to select items based on their needs and family size.

Children and Youth Services

*Los Alamos Youth Programs*

The Organization has forged a partnership with the Senior Center in Los Alamos to operate an after school program specifically designed for middle and high school students. In F.Y. 15-16, 22 students attended the program each day, including a summer session. The program focuses on academic improvement and features computer education, leadership training and recreational activities to supplement homework assistance and tutorials.

*Santa Ynez Valley Youth Coalition*

Based upon its successes, the Organization received a second 5-year federal Drug Free Communities grant to reduce alcohol, tobacco, and other drug (ATOD) use by Valley youth. Together with additional federal, foundation and County grants, activities are based upon a strategic plan developed by a coalition of local volunteer community leaders. The Organization’s staff, together with Coalition members, is implementing the plan directed at increasing barriers to youth access of alcohol and other drugs and changing the norms of the community around the acceptance of underage substance abuse. Community members interested in joining the Coalition effort or obtaining additional information are encouraged to visit the Coalition’s website at [www.syvdrugfree.org](http://www.syvdrugfree.org).

*Student Prevention Action Network (SPAN)*

This research based alcohol and drug prevention program is offered to 7<sup>th</sup> and/or 8<sup>th</sup> grade students in the Buellton, Los Olivos, Solvang and College School Districts. The Youth Coalition Director teaches a life skills curriculum, supervises a Peer to Peer Mediation program and Generation Kindness and Drug Free Clubs on campus, and conducts a Parenting Workshop series. This four-part approach to prevention is designed to equip students and parents with the knowledge and tools necessary to avoid the hazards associated with use of alcohol and other drugs so that students are successful in school.

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 3: PROGRAM SERVICES (Continued)

Children and Youth Services (Continued)

*Mentoring*

People Helping People staff at Santa Ynez and Refugio High Schools monitor the progress towards graduation of 50 “at risk” students. The grades and credits of these students are reviewed on a regular basis and the mentor offers career guidance, homework assistance, coaching, role modeling, and access to PHP basic needs and support services.

NOTE 4: ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

Management believes that all receivables will be fully collectible and therefore no allowance for uncollectible receivables has been recorded.

NOTE 5: PROPERTY AND EQUIPMENT

The Organization’s investment in property and equipment at June 30 was as follows:

	<u>2016</u>	<u>2015</u>
Land	\$ 141,113	141,113
Building & improvements	462,745	462,745
Furniture and Fixtures	31,105	31,105
Office equipment	30,414	30,414
Vehicles	<u>30,930</u>	<u>20,764</u>
	696,307	686,141
Less: accumulated depreciation	<u>(214,203)</u>	<u>(201,372)</u>
Net Property and Equipment	<u>\$ 482,104</u>	<u>\$ 484,769</u>

Depreciation expense was \$18,064 and \$18,771 in 2016 and 2015, respectively.

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 6: MORTGAGE PAYABLE

Mortgage payable at June 30, 2016 consists of:

Mortgage payable to the Outhwaite Foundation secured by a first deed of trust; monthly payments of \$1,238 commenced February 1, 2011 and includes interest at 4.5% per annum. A balloon payment of \$147,193 is due at the end of the note term on December 31, 2017.

	<u>158,606</u>
Total loans	158,606
Less current portion	<u>(7,880)</u>
Long term portion	<u>\$ 150,726</u>

Principal payments are expected to be as follows:

2017	\$ 7,880
2018	150,726
2019	-
2020	-
Thereafter	<u>-</u>
Total loans	<u>\$ 158,606</u>

NOTE 7: BOARD DESIGNATED NET ASSETS

The Organization's Board of Directors, by resolution adopted in May, 2013, has established a policy to designate for reserves a portion of any unrestricted net operating surplus at the fiscal year-end. The policy directs that there shall be four reserve funds; Operating, Facilities, Equipment, and Opportunity and that the percentage of funds allocated to each fund shall be set by the Board each year. At June 30, 2016, the percentage allocations were as follows: 75% to Operating, 10% to Facilities, 10% to Equipment, and 5% to Opportunity reserves. The total board designated net assets at June 30, 2016 and 2015 totaled \$176,472 and \$ 154,896, respectively.

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 8: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2016:

For use in future periods	\$ 104,000
Funds to be received in the future	<u>-</u>
Total	<u>\$ 104,000</u>

NOTE 9: ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Significant estimates used in preparing these financial statements include:

- Depreciable lives
- Allocation of certain expenses by function
- Value of thrift store inventory
- Value of in-kind contributions
- Allowance for uncollectible contracts, grants and pledges receivable

It is at least reasonably possible that the significant estimates used will change within the next year.

NOTE 10: CONCENTRATION OF RISK

A significant portion of the Organization's revenues and contracts and grants receivable come from diverse sources of Federal, State of California and local government grants and contracts. These revenues and grants are earned by the Organization based on its services to clients in Santa Barbara County.



SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 11: CONTINGENCIES

The Organization received funds from a number of contracts with various governmental agencies. These contracts are subject to audit by the corresponding oversight Organization as to allowable costs paid with these funds and as to the share of costs contributed by the Organization. The Organization could be liable up to the full amount of government funds expended should costs charged to the projects be disallowed. Management believes that they have not charged to grants any material amounts that would be disallowed and have therefore not recorded an allowance for these amounts.

NOTE 12: IN KIND CONTRIBUTIONS

Management's estimates of in-kind contributions recorded in the financial statements for the year ended June 30, 2016 are as follows:

Contributed food	\$ 424,427
Professional services	75,695
Rent	74,700
Durable goods/other	<u>25,169</u>
Total	<u>\$ 599,991</u>

NOTE 13: RETIREMENT PLAN

The Organization has a 403(b) retirement plan. Employees may enroll and make contributions upon employment. However, only employees that are 21 years or older, complete one year of employment and work more than 1,000 hours of service may receive contributions to the plan from Organization. The Organization matches half of the participating employee's contribution up to 6% of the total annual salary as permitted by law. Employee contributions to this plan are immediately vested. Employer contributions vest over five years. After five years of service, the Organization contributes an additional amount, starting at 1% of an eligible employee's salary which is adjusted annually for each additional year of service, up to a maximum of 5% after fifteen years. These contributions require no employee matching contributions. All contributions are funded monthly. Employees are immediately vested in these employer contributions. The Organization contributed \$15,328 and \$12,329 to the retirement plan in 2016 and 2015, respectively.

As of July 1, 2016, the organization has revised its retirement plan. The organization has adopted both 403(b) and 457 retirement plans. The plans provide for a 1-year waiting period and only employer contributions as described below. Employees are immediately vested in those contributions on transfer to their individual accounts.

SANTA YNEZ VALLEY PEOPLE HELPING PEOPLE

NOTES TO FINANCIAL STATEMENTS

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NOTE 13: RETIREMENT PLAN (Continued)

In the revised 403-b plan, non-supervisor and management employees each receive a 1.75% employer contribution and those designated by the CEO as supervisors and managers 3%. The CEO will continue to receive a 5% employer contribution and is the sole participant in a separate IRS 457 plan. All of the employer contributions to both plans will be fully vested at time of deposit. No employee match is required.

NOTE 14: RELATED PARTIES

The Organization utilizes the services of a Board member for certain graphic design services. Total compensation for services paid to this Board member totaled \$7,100 and \$600 for the years ended June 30, 2016 and 2015, respectively.

NOTE 15: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 28, 2016, which is the date that the financial statements were issued. Management has determined that no subsequent events requiring disclosure or significantly impacting disclosure have occurred.