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D.E. RODRIGUES & COMPANY, INC.

CREDITORS PUBLIC ACCOUNTANTS MANAGEMENT CONSULTANTS
Where Your Financial Success Begins

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Gifts to Give, Inc.
Financial Statements
and
Independent Accountants' Review Report
March 31, 2013 and 2012

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Gifts to Give, Inc.

Financial Statements

**For the Years Ended
March 31, 2013 and 2012**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

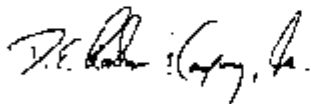
To the Board of Directors
Gifts to Give, Inc.

We have reviewed the accompanying statements of financial position of Gifts to Give, Inc. (a non-profit corporation), as of March 31, 2013 and 2012 and the related statements of activities, functional expenses and cash flows, for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Fall River, Massachusetts
June 5, 2013

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Gifts to Give, Inc.

**Statements of Financial Position
March 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<i>Assets</i>		
Cash	\$ 3,351	\$ 4,768
Property and equipment, net	<u>29,811</u>	<u>31,647</u>
Total assets	<u>\$ 33,162</u>	<u>\$ 36,415</u>
<i>Liabilities and Net Assets</i>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	-	-
Net assets, unrestricted	<u>33,162</u>	<u>36,415</u>
Total liabilities and net assets	<u>\$ 33,162</u>	<u>\$ 36,415</u>

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Gifts to Give, Inc.
Statements of Activities
For the Years Ended March 31, 2013 and 2012

	2013	2012
Program and other revenue		
Contributions - cash	\$ 214,060	\$ 221,211
Contributions - in-kind	72,740	125,741
Contributions - supplies	71,150	65,000
Interest income	4	5
	357,954	411,957
Expenses		
Program	297,442	359,006
Management and general	48,947	52,635
Fundraising	14,818	5,941
	361,207	417,582
Change in net assets	(3,253)	(5,625)
Net assets at beginning of year	36,415	42,040
Net assets at end of year	\$ 33,162	\$ 36,415

See independent accountants' review report and notes to financial statements

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Gifts to Give, Inc.

Statement of Functional Expenses For the Year Ended March 31, 2013

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Occupancy	\$ 90,100	\$ 15,900	\$ -	\$ 106,000
Donated supplies	72,750	-	-	72,750
Wages	31,505	5,560	-	37,065
Professional fees	19,360	3,416	-	22,776
Office expenses	12,678	9,181	-	21,859
Supplies	19,895	-	-	19,895
Meals	15,191	2,681	-	17,872
Auto expenses	12,343	-	-	12,343
Fundraising	-	-	11,788	11,788
Insurance	-	8,288	-	8,288
Depreciation	6,281	1,109	-	7,390
Program expenses	5,634	-	-	5,634
Real estate taxes	3,589	633	-	4,222
Marketing	-	-	3,030	3,030
Payroll taxes	5,626	993	-	6,619
Contract services	1,924	340	-	2,264
Miscellaneous	473	804	-	1,277
Repairs	93	17	-	110
Travel	-	25	-	25
	<u>\$ 297,442</u>	<u>\$ 48,947</u>	<u>\$ 14,818</u>	<u>\$ 361,207</u>

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Gifts to Give, Inc.

**Statement of Functional Expenses
For the Year Ended March 31, 2012**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Occupancy	91,975	16,231	-	108,204
Donated supplies	\$ 68,966	\$ -	\$ -	\$ 68,966
Professional Fees	58,357	10,298	-	68,655
Supplies	66,479	-	-	66,479
Wages	23,072	4,071	-	27,143
Office expenses	10,658	7,718	-	18,376
Auto expenses	13,853	-	-	13,853
Meals	10,010	1,757	-	11,777
Insurance	-	8,705	-	8,705
Depreciation	5,573	983	-	6,556
Real estate taxes	3,589	633	-	4,222
Contract services	3,143	555	-	3,698
Fundraising	-	-	3,346	3,346
Payroll taxes	2,445	432	-	2,877
Marketing	-	-	2,595	2,595
Miscellaneous	363	619	-	982
Repairs	525	93	-	618
Travel	-	530	-	530
	<u>\$ 359,006</u>	<u>\$ 52,635</u>	<u>\$ 5,941</u>	<u>\$ 417,582</u>

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Gifts to Give, Inc.

Statements of Cash Flows
For the Years Ended March 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ (3,253)	\$ (5,625)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	7,390	6,556
Change in other assets	<u>-</u>	<u>175</u>
Net cash provided by operating activities	<u>4,137</u>	<u>1,106</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(5,554)</u>	<u>-</u>
Net cash used in investing activities	<u>(5,554)</u>	<u>-</u>
Net increase (decrease) in cash	(1,417)	1,106
Cash at beginning of year	<u>4,768</u>	<u>3,662</u>
Cash at end of year	<u>\$ 3,351</u>	<u>\$ 4,768</u>

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Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2013 and 2012

1. Organization

Gifts to Give, Inc. (the "Organization") was organized under the laws of the Commonwealth of Massachusetts for the purpose of operating a large scale repurposing center, designed to use thousands of student volunteers to reprocess donated in-kind items designated for children residing on the south coast of Massachusetts.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Organization are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis of Presentation

The Organization is required by GAAP to report 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

Unrestricted net assets represent those assets which the Organization may use at its discretion.

Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a donor restriction expires or the purpose of the 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.

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of those assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Use of Estimates

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

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Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Donated Items

The Organization receives donations of new and used supplies and equipment from individuals and organizations in the United States. The Organization in turn, gives these donated goods, at no charge, to other organizations with the intent of the goods ultimately being delivered to children in need. The Organization records the donated goods at their estimated fair value on the date of donation. During the years ended March 31, 2013 and 2012, the Organization received donations of supplies with an estimated fair value of \$71,150 and \$65,000.

To determine fair value, the Organization gathers as much information as possible on each donated good. The value is obtained by researching websites of vendors selling similar goods. If the value for the exact piece cannot be obtained, then the value for a comparable item can be substituted.

Donated Services

Donated services are recognized as contributions if the services a) create or enhance nonfinancial assets or b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under GAAP were not met.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets. Estimated useful lives are five years for office equipment and ten years for furniture and fixtures.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense amounted to \$3,030 and \$2,595 for the years ended March 31, 2013 and 2012.

Functional Expense Allocation

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

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Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from Massachusetts state income taxes under Massachusetts General Law 180. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income at both the federal and state levels. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Organization evaluates all significant tax positions as required by GAAP. As of March 31, 2013 and 2012, the Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization's tax returns are subject to examination by the appropriate taxing jurisdictions. As of March 31, 2013, the Organization's federal and state tax returns generally remain open for examination for three years from the date filed with each taxing jurisdiction.

Management Review

The Organization has evaluated all subsequent events through June 5, 2013, the date the financial statements were available to be issued.

3. Property and equipment

Property and equipment consists of the following at March 31:

	<u>2013</u>	<u>2012</u>
Equipment	\$ 15,327	\$ 9,773
Furniture and fixtures	36,087	36,087
Accumulated depreciation	<u>(21,603)</u>	<u>(14,213)</u>
	<u>\$ 29,811</u>	<u>\$ 31,647</u>

4. Donated Services

The value of donated services recorded as in-kind contributions in the financial statements for the years ended March 31:

	<u>2013</u>	<u>2012</u>
Rent	\$ 51,000	\$ 60,000
Accounting services	17,910	49,371
Legal services	<u>3,830</u>	<u>16,370</u>
	<u>\$ 72,740</u>	<u>\$ 125,741</u>

See independent accountants' review report

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Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2013 and 2012

5. Concentrations

The Company has a potential concentration of credit risk in that it maintains deposits with a financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). Beginning on January 1, 2013, the FDIC insures up to \$250,000, per depositor, per insured depository institution for each account ownership category.

For the years ended March 31, 2013 and 2012, the Organization received 28% and 35% of its cash contributions from one donor.

6. Subsequent Event

The Organization has a facility lease that expired on April 30, 2012. Upon expiration, the Organization and the landlord verbally agreed to a two year extension of the lease. As a result of the extension, the Organization is an "at will" tenant and rent due under verbal extension is \$3,250 per month.