

Gifts to Give, Inc.

Financial Statements

**For the Years Ended
March 31, 2014 and 2013**

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D.E. RODRIGUES & COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS · MANAGEMENT CONSULTANTS

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215 PLEASANT STREET, P.O. BOX 3634, FALL RIVER, MA 02722-3634
TEL. (508) 679-6079 - (508) 999-0020, FAX (508) 672-4938, WEB: RODRIGUESANDCOMPANY.COM

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

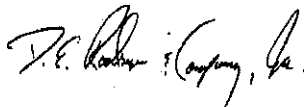
To the Board of Directors
Gifts to Give, Inc.

We have reviewed the accompanying statements of financial position of Gifts to Give, Inc. (a non-profit corporation), as of March 31, 2014 and 2013 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
October 20, 2014

Gifts to Give, Inc.

**Statements of Financial Position
March 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<i>Assets</i>		
Cash	\$ 1,067	\$ 3,351
Property and equipment, net	<u>22,173</u>	<u>29,811</u>
Total assets	<u>\$ 23,240</u>	<u>\$ 33,162</u>
<i>Liabilities and Net Assets</i>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	-	-
Net assets, unrestricted	<u>23,240</u>	<u>33,162</u>
Total liabilities and net assets	<u>\$ 23,240</u>	<u>\$ 33,162</u>

Gifts to Give, Inc.

Statements of Activities For the Years Ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Program and other revenue		
Contributions - cash	\$ 162,211	\$ 214,060
Contributions - in-kind	72,221	72,740
Contributions - supplies	265,750	71,150
Interest income	2	4
	<u>500,184</u>	<u>357,954</u>
Expenses		
Program	458,015	297,442
Management and general	40,194	48,947
Fundraising	11,897	14,818
	<u>510,106</u>	<u>361,207</u>
Change in net assets	(9,922)	(3,253)
Net assets at beginning of year	<u>33,162</u>	<u>36,415</u>
Net assets at end of year	<u>\$ 23,240</u>	<u>\$ 33,162</u>

Gifts to Give, Inc.

Statement of Functional Expenses For the Year Ended March 31, 2014

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Donated supplies	\$ 266,100	\$ -	\$ -	\$ 266,100
Occupancy	98,165	17,323	-	115,488
Professional fees	19,398	3,423	-	22,821
Office expenses	11,412	8,264	-	19,676
Program expenses	17,383	-	-	17,383
Wages	9,812	1,732	-	11,544
Auto expenses	10,636	-	-	10,636
Meals	7,641	1,348	-	8,989
Depreciation	6,492	1,146	-	7,638
Fundraising	-	-	7,316	7,316
Supplies	5,864	-	-	5,864
Insurance	-	4,643	-	4,643
Marketing	-	-	4,581	4,581
Payroll taxes	3,012	531	-	3,543
Miscellaneous	926	1,577	-	2,503
Real estate taxes	653	115	-	768
Contract services	438	77	-	515
Repairs	83	15	-	98
	<u>\$ 458,015</u>	<u>\$ 40,194</u>	<u>\$ 11,897</u>	<u>\$ 510,106</u>

Continued.....

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>

Gifts to Give, Inc.

Statements of Cash Flows For the Years Ended March 31, 2014 and 2013

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ (9,922)	\$ (3,253)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	<u>7,638</u>	<u>7,390</u>
Net cash provided by operating activities	<u>(2,284)</u>	<u>4,137</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>-</u>	<u>(5,554)</u>
Net cash used in investing activities	<u>-</u>	<u>(5,554)</u>
Net increase (decrease) in cash	(2,284)	(1,417)
Cash at beginning of year	<u>3,351</u>	<u>4,768</u>
Cash at end of year	<u>\$ 1,067</u>	<u>\$ 3,351</u>

Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2014 and 2013

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 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 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.

Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2014 and 2013

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, 2014 and 2013, the Organization received donations of supplies with an estimated fair value of \$265,750 and \$71,150.

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 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 \$4,581 and \$3,030 for the years ended March 31, 2014 and 2013.

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.

Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2014 and 2013

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 of March 31, 2014 and 2013, 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, 2014, 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 ~~October XX, 2014~~, 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>2014</u>	<u>2013</u>
Equipment	\$ 15,327	\$ 15,327
Furniture and fixtures	36,087	36,087
Accumulated depreciation	<u>(29,241)</u>	<u>(21,603)</u>
	<u>\$ 22,173</u>	<u>\$ 29,811</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>2014</u>	<u>2013</u>
Rent	\$ 51,000	\$ 51,000
Accounting services	12,791	17,910
Legal services	<u>8,430</u>	<u>3,830</u>
	<u>\$ 72,221</u>	<u>\$ 72,740</u>

Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2014 and 2013

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, 2014, there were no concentrations of donor contributions. For the years ended March 31, 2013, the Organization received 28% and 35% of its cash contributions from one donor.

6. Subsequent Event

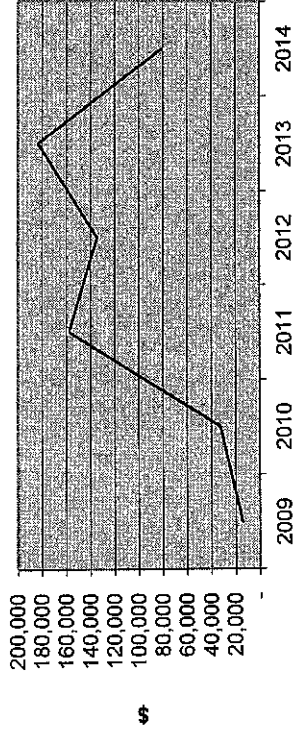
The Organization has a facility lease that expired on April 30, 2012. Upon expiration, the Organization and the landlord verbally agreed to a two year extension of the lease. As a result of the extension, the Organization is an "at will" tenant and rent due under verbal extension is \$3,250 per month.

As of August 1, 2014, the Organization has entered into a lease agreement with Palmer's Cove Mills, LLC to lease approximately 39,000 square feet of space in Acushnet, Massachusetts. The lease is until July 31, 2017 with fixed rent of \$50,700 for the first year, and \$58,500 for years two and three.

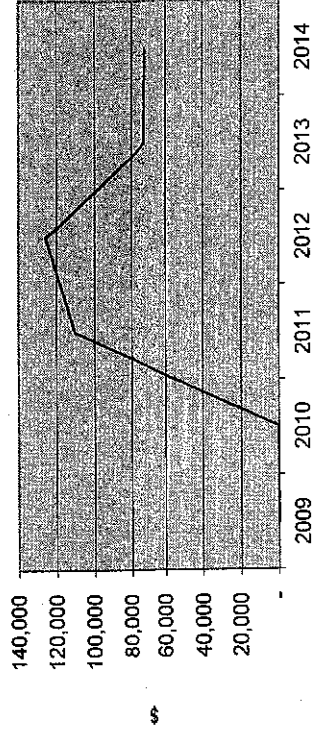
**Gifts to Give
Comparison**

	2009	2010	2011	2012	2013	2014
REVENUE						
Corporate Contributions	55,850	151,739	70,000	76,582	-	-
Foundation and Trust Grants	-	-	-	10,000	10,000	51,327
Individual Business Contributions	14,651	32,671	158,035	134,629	183,525	80,706
Contributions - Non Cash	-	-	168,133	65,000	71,150	265,750
Fundraising Income	-	-	-	-	20,542	30,178
Interest - Savings - ST CD	-	-	-	5	4	2
Miscellaneous Revenue	-	-	-	1	-	37
In-Kind	-	-	110,318	125,741	72,740	72,221
TOTAL REVENUES	70,501	184,410	506,486	411,958	357,961	500,221
EXPENSES						
Wages	1,651	16,000	2,707	21,232	37,064	11,544
Contract Services	45	4,000	-	-	-	-
Accounting Fees	-	2,120	25,567	52,141	18,910	14,391
Legal Fees	-	-	9,751	16,514	3,866	8,430
Outside Contract Service	990	31	1,332	-	-	-
Outside Labor	-	-	1,920	1,947	100	100
Payroll Service	-	1,338	881	1,751	2,164	415
Licenses & Permits	-	683	60	-	-	-
Miscellaneous	-	235	385	-	7	-
Filing Fees	750	15	126	125	162	138
Auto Expenses	623	7,835	21,231	13,853	12,343	10,636
Bank Charges	-	650	128	147	349	802
Computer & Internet	2,991	4,905	8,068	6,208	8,214	10,055
Dues	245	290	1,239	460	-	1,079
Marketing	1,273	4,134	8,663	2,595	3,030	4,581
Meals	3,380	9,969	16,389	11,777	17,872	8,989
Office Supplies	422	10,669	8,605	2,358	6,239	3,765
Business Promotions	-	475	171,285	68,966	72,750	266,100
Supplies	15,343	58,160	52,320	66,479	19,895	5,864
Insurance - Liability, D and O	4,270	4,837	6,280	8,705	8,288	4,643
Credit Card Processing	-	-	-	-	175	627
Fundraising Expense	-	-	-	3,346	11,788	7,316
Compensation Expense	-	-	-	5,911	-	-
Travel and Meetings	2,117	3,528	5,830	530	25	-
Conference, Convention, Meeting	-	-	430	-	-	140
Payroll Taxes	501	1,301	277	2,877	6,619	3,543
Postage	280	762	1,611	1,922	1,467	1,223
Printing & Copying	100	-	-	2,642	147	-
Facilities and Equipment	-	-	-	366	-	180
Equipment Rental & Maintenance	8,489	3,197	3,528	645	1,483	83
Rent, Parking, Utilities	-	9,113	97,561	91,137	92,960	101,686
Real Estate Taxes	-	-	-	4,222	4,222	768
Repairs	606	774	10,657	618	110	98
Utilities	6,182	28,893	14,542	14,013	9,282	10,666
Books, Subscriptions, Reference	-	-	44	397	1,117	1,183
Rubbish Removal	-	389	3,941	3,054	3,758	3,136
Project Cinderella	-	-	-	-	1,970	11,294
Early Literacy	-	-	-	-	572	2,062
Sorority	-	-	-	-	2,317	3,467
GRT	-	-	-	-	775	560
Telephone, Telecommunications	1,925	3,945	5,911	4,088	3,785	2,941
Depreciation- Equipment	70	302	937	1,468	2,302	2,550
Depreciation- Furniture & Fixtures	88	2,175	4,085	5,088	5,088	5,088
TOTAL OPERATING EXPENSES	52,340	180,725	486,291	417,582	361,215	510,143
NET INCOME(LOSS)	18,161	3,685	20,195	(5,624)	(3,254)	(9,922)

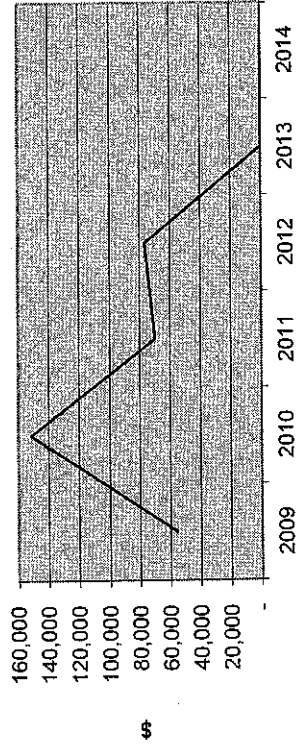
Business Contributions



In Kind



Cash Contributions



Non Cash Contributions

