

D.E. RODRIGUES & COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS - MANAGEMENT CONSULTANTS

Where Your Financial Success Begins

215 PLEASANT STREET, P.O. BOX 3634, FALL RIVER, MA 02722-3634

TEL. (508) 679-6079 - (508) 999-0020, FAX (508) 672-4938, WEB: RODRIGUESACCOUNTING.COM

Gifts to Give, Inc.

Financial Statements

And

Independent Accountants' Review Report

March 31, 2021

Gifts to Give, Inc.

Financial Statements

**For the Years Ended
March 31, 2021**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To Management
Gifts to Give, Inc.
Acushnet, MA 02743

We have reviewed the accompanying financial statements of Gifts to Give, Inc. (a non-profit organization), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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'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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

D.E. Rodrigues & Company, Inc.

Fall River, Massachusetts
November 21, 2022

Gifts to Give, Inc.

**Statements of Financial Position
March 31, 2021**

Assets

Cash	\$	28,336
Deposits		19,578
Property and equipment, net		<u>36,510</u>
Total assets	\$	<u><u>84,424</u></u>

Liabilities and Net Assets

Liabilities

Accrued expenses	\$	4,672
Net assets, without donor restrictions		<u>79,752</u>
Total liabilities and net assets	\$	<u><u>84,424</u></u>

Gifts to Give, Inc.

Statements of Activities For the Years Ended March 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Program and other revenue			
Contributions - cash	\$ 249,629	\$ -	\$ 249,629
Contributions - in-kind	79,835	-	79,835
Contributions - supplies	70,000	-	70,000
	<u>399,464</u>	<u>-</u>	<u>399,464</u>
Expenses			
Program	336,079	-	336,079
Management and general	51,435	-	51,435
Fundraising	3,348	-	3,348
	<u>390,862</u>	<u>-</u>	<u>390,862</u>
Change in net assets	8,602	-	8,602
Net assets at beginning of year	<u>71,150</u>	<u>-</u>	<u>71,150</u>
Net assets at end of year	<u>\$ 79,752</u>	<u>\$ -</u>	<u>\$ 79,752</u>

Gifts to Give, Inc.

Statement of Functional Expenses For the Year Ended March 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Donated supplies	\$ 74,059	\$ -	\$ -	\$ 74,059
Occupancy	122,329	21,588	-	143,917
Professional fees	12,886	2,274	-	15,160
Warehouse supplies	23,982	-	-	23,982
Office Expenses	14,041	2,478	-	16,519
Repairs	14,674	2,589	-	17,263
Meals	14,229	2,511	-	16,740
Depreciation	15,554	789	-	16,343
Insurance	-	13,083	-	13,083
Marketing	-	-	3,348	3,348
Telephone	6,266	1,106	-	7,372
Volunteer Recognition	4,739	-	-	4,739
Program Expense	11,610	-	-	11,610
Miscellaneous	9,515	1,679	-	11,194
Auto expenses	12,195	-	-	12,195
Contract Services	-	3,338	-	3,338
	<u>\$ 336,079</u>	<u>\$ 51,435</u>	<u>\$ 3,348</u>	<u>\$ 390,862</u>

Gifts to Give, Inc.

Statements of Cash Flows For the Years Ended March 31, 2021

	<u>2021</u>
Cash flows from operating activities	
Change in net assets	\$ 8,602
Adjustments to reconcile change in net assets to net cash provided by operating activities	
(Increase) Decrease in operating assets:	
Depreciation	16,343
Increase (Decrease) in Operating Liabilities:	
Accrued expenses	<u>(304)</u>
Net cash (used in) provided by operating activities	<u>24,641</u>
Cash flows from investing activities	
Purchase of property and equipment	<u>(467)</u>
Net cash (used in) provided by investing activities	<u>(467)</u>
Net (decrease) increase in cash	24,174
Cash at beginning of year	<u>4,162</u>
Cash at end of year	<u><u>\$ 28,336</u></u>

Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2021

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 two classes of net assets: net assets without restrictions, and net assets with restrictions.

Without Donor Restrictions

Net Assets without donor restrictions represent those assets which the Organization may use at its discretion.

With Donor Restrictions

Net Assets with donor restrictions 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.

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, 2021, the Organization received donations of supplies with an estimated fair value of \$70,000.

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.

Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2021

2. Summary of Significant Accounting Policies (cont.)

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

Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and /or passage of time. When a restriction expires net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Restricted gifts whose purpose restriction is met in same year the gift is received is reported as unrestricted support.

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. Leasehold improvements are amortized over shorter of their estimated useful life or the terms of the related leases.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense amounted to \$3,348 for the year ended March 31, 2021.

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, 2021

2. Summary of Significant Accounting Policies (cont.)

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, 2021, 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, 2021, 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 November 21, 2022, the date the financial statements were available to be issued.

3. Property and Equipment

Property and equipment consist of the following at March 31:

	<u>2021</u>
Equipment	\$ 26,065
Furniture and fixtures	59,873
Leasehold Improvements	49,848
Software	29,424
Accumulated depreciation	<u>(128,700)</u>
	<u>\$ 36,510</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>2021</u>
Rent	\$ 66,300
Accounting services	<u>13,535</u>
	<u>\$79,835</u>

Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2021

5. Commitments and Contingencies

The Company entered into a lease agreement for warehouse and office space located at One Titleist Drive, Acushnet, Massachusetts under a non-cancelable operating lease commencing August 1st, 2014 and ending July 31st, 2017 with an option for two additional three-year periods. The Organization extended its lease for an additional six years. The verbal lease agreement expires on July 31, 2023 with a monthly payment amounting to \$4,875.

Future minimum lease payments are as follows for the years ended March 31.

2022	58,500
2023	58,500
	<u>\$ 117,000</u>

In connection with the lease, for the years ended March 31, 2021 rent expense was \$58,500.

6. 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.

7. Liquidity and Availability

The following reflects the Organization's financial assets as of March 31, 2021, reduced by amounts not available for general use within one year of the statement of financial position date. Amounts not available include net assets with donor-imposed time or purpose restrictions.

	<u>2021</u>
Financial assets at year-end:	
Cash	\$ 28,336
Deposits	<u>19,578</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$47,914</u>

The Organization has a policy to structure its financial assets to be available to meet its general expenditures, liabilities and other obligations as they become due. The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. In addition to financial assets available to meet general expenditures over the year, the Organization anticipates covering its general expenditures by collecting sufficient program revenues and other revenue. The statements of cash flows identify the sources and uses of the Organization's cash and shows net cash used in operating activities of \$28,336 for the year ended March 31, 2021.

Gifts to Give, Inc.

Notes to Financial Statements For the Years Ended March 31, 2021

8. New Accounting Pronouncement

On August 18, 2016 the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The organization has adjusted the presentation of its financial statements accordingly. The new standard changes the following aspects of the Organization's financial statements:

The unrestricted net asset class has been renamed net assets without donor restrictions

The temporarily and permanently restricted net assets has been renamed net assets with donor restrictions

The financial statements include a new disclosure about liquidity and availability of resources.

9. Revenue Note

The following disclosures discuss the Organization's revenue recognition practices.

Disaggregation of Revenue: The following table presents the Organization's 2021 revenue disaggregated by primary performance obligation:

Grants	\$ 6,829	0
Individual Business Contributions	136,020	0
Contributions- non-cash	70,000	0
In-Kind	79,835	0
Rag Man	27,984	0
eBay Sales	1,473	0
Book Buyer	500	0
Thrift Store	76,823	0

Grants, Individual Business Contributions, In-Kind: The organization receives grants and contributions from outside organizations to assist the organization to better their community. It is recognized at a point in time, on the day the grant or contribution was given.

Fundraising Income, Contributions non-cash, Yard Sale/ Rag Man, Book Buyer, eBay Sales, and Thrift Store: The organization receives donating items from individuals and resells those items to donated the proceeds to the community. Revenue is recognized at a point in time, on the day the items are received and resell.

10. State of Emergency

On March 11, 2020, the World Health Organization characterized the outbreak of a novel strain of coronavirus (COVID-19) as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. Management feels there has been no immediate impact to the organization's operations.