

INTERFAITH SOCIAL SERVICES, INC.

QUINCY, MASSACHUSETTS

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2014

CAMPBELL, DEVASTO & ASSOCIATES - CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets.....	3
Statement of Cash Flows	4
Statement of Functional Expenditures.....	5
Notes to Financial Statements	6-13

SUITE 314
2001 BEACON STREET
BRIGHTON, MASSACHUSETTS 02135

(617) 731-2333

131 FRONT STREET
SCITUATE, MASSACHUSETTS 02066

(781) 545-6699

Independent Auditor's Report

To the Boards of Directors of
Interfaith Social Services, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Interfaith Social Services, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, cash flows and functional expenses 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 entity'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 entity'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 Interfaith Social Services, Inc. as of June 30, 2014 and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Brighton, Massachusetts
September 11, 2014

INTERFAITH SOCIAL SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

Assets:

Cash		\$	53,277
Inventory			42,173
Fees and Pledges Receivable			6,136
Prepaid Insurance			1,886
Prepaid - Other			<u>17,952</u>
 Total Current Assets			 121,424
 Investments			 224,154
Fixed Assets at Cost:			
Land	\$		50,000
Buildings			467,060
Building Improvements			276,303
Office Furniture & Equipment			<u>70,809</u>
			864,172
Less: Allowance for Depreciation			<u>(226,559)</u> <u>637,613</u>
 Total Long Term Assets			 <u>861,767</u>
 Total Assets			 <u>\$ 983,191</u>

Liabilities and Net Assets:

Liabilities:

Accounts Payable		\$	12,527
Taxes Payable			5,450
Accrued Payroll			20,198
Deferred Revenue			<u>856</u>
Total Current Liabilities			39,031

Net Assets:

Unrestricted			879,727
Temporarily Restricted			<u>64,433</u>
Total Net Assets			<u>944,160</u>
 Total Liabilities and Net Assets			 <u>\$ 983,191</u>

See accountants' audit report and accompanying notes

INTERFAITH SOCIAL SERVICES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014

Changes in Unrestricted Net Assets:

Support:

Individuals	\$ 89,364
Churches	42,785
Organizations & Businesses	1,812
Foundation Grants	200,690
Pantry Shelf Contributions	9,000
Donated Goods & Services	1,119,836
Bureau Drawer Thrift Shop	52,241
Fundraising Events Contributions	145,111
Net Assets Released from Restrictions Due to Satisfaction of Program Restrictions	<u>85,531</u>
Total Support	1,746,370

Revenue:

Program Service Fees	49,413
Fundraising Events Revenue	\$ 15,075
Fundraising Events Direct Benefits to Donors	<u>48,262</u> (33,187)
Interest	1,036
Miscellaneous Income	315
Total Revenue	<u>17,577</u>
Total Support & Revenue	1,763,947

Expenditures: (See schedule)

Program Services	
Counseling	162,363
Financial Assistance	152,161
Material Assistance	1,242,952
Bureau Drawer	<u>33,157</u>
Total Program Services	1,590,633

Supporting Services:

Management and General	101,399
Fundraising	<u>97,520</u>
Total Supporting Services	<u>198,919</u>
Total Expenditures	<u>1,789,552</u>
Increase (decrease) in Unrestricted Net Assets	(25,605)

Changes in Temporarily Restricted Net Assets:

Grants and Contributions for Future Activities	49,624
Net Assets Released from Restrictions	<u>(85,531)</u>
Increase (decrease) in Temporarily Restricted Net Assets	<u>(35,907)</u>

Increase (Decrease) in Net Assets	(61,512)
Net Assets at Beginning of Year	<u>1,005,672</u>
Net Assets at End of Year	<u>\$ 944,160</u>

See accountants' audit report and accompanying notes

**INTERFAITH SOCIAL SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014**

Cash Flows from Operating Activities

Increase (Decrease) in Net Assets	\$ (61,512)
Adjustments to Reconcile Change in Net Assets to Cash Provided by (Used in) Operating Activities:	
Interest Certificates of Deposit and Savings Accounts	(992)
Depreciation	27,510
Uncollectible Accounts	613
Decrease (Increase) in Operating Assets:	
Fees and Pledges Receivable	(2,442)
Prepaid Expenses	(5,199)
Inventory	(7,254)
Increase (decrease) in Operating Liabilities:	
Accounts Payable	2,239
Payroll Taxes Payable	(837)
Accrued Payroll	<u>3,153</u>
Total Adjustments	<u>16,791</u>
Net Cash Provided by (Used in) Operating Activities	(44,721)

Cash Flows from Investing Activities

Capital Expenditures	(26,140)
Purchase of Investments	(45,000)
Proceeds from Investment Maturities	<u>70,000</u>
Net Cash Provided By (Used In) Investing Activities	(1,140)

Cash Flows from Financing Activities

Net Cash Provided By (Used In) Financing Activities	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(45,861)
Cash and Cash Equivalents Beginning of Year	<u>99,138</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 53,277</u></u>

See accountants' audit report and accompanying notes

**INTERFAITH SOCIAL SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014**

	FINANCIAL COUNSELING	MATERIAL ASSISTANCE	BUREAU DRAWER	ADMIN	FUND- RAISING	TOTAL
Salaries	\$56,698	\$41,916	\$54,218	\$9,179	\$42,906	\$247,891
Payroll Taxes	4,649	3,517	5,027	816	4,021	21,649
Other Employee Benefits	600	165	545	306	3,480	5,619
Health Insurance	226	226	226	113	1,600	3,183
Retirement	3,134	2,305	876	478	2,373	11,351
Workers' Compensation	56	8	104	58	20	254
Professional Fees	71,450	-	-	-	17,304	110,014
Professional Liability Ins	-	-	-	-	1,557	1,557
Printing	-	-	-	-	3,960	4,560
Office Supplies & Expense	2,206	172	3,148	2,139	4,764	12,691
Equipment Rentals	-	-	-	-	716	716
Telephone	970	132	1,807	1,014	353	4,408
Dues & Subscriptions	-	-	-	-	1,457	1,457
Advertising	2,563	350	1,398	883	1,892	8,413
Postage	159	295	861	2	266	6,930
Occupancy	9,316	1,587	19,903	10,641	5,257	47,917
Local Transportation	-	14	3,599	-	390	4,195
Conferences & Meetings	259	25	35	-	1,330	1,834
Purchased Food	-	-	22,427	-	-	22,427
Donated Food & Household Items	-	15,000	1,043,686	-	-	1,058,686
Medical Assistance	-	21,995	-	-	-	21,995
Donated Toys & Gifts	-	-	60,600	-	-	60,600
Housing Assistance	-	63,431	-	-	-	63,431
Other Assistance	-	-	2,920	-	-	2,920
Uncollectible Accounts	613	-	-	-	-	613
Other Expenditures	65	10	55	-	4,566	21,446
Other Program Costs	3,651	25	5,852	570	-	10,098
General Insurance	1,110	292	2,069	1,161	404	5,187
Subtotal	157,725	151,465	1,229,356	27,360	98,616	1,762,042
Depreciation	4,638	696	13,596	5,797	2,783	27,510
Total	\$162,363	\$152,161	\$1,242,952	\$33,157	\$101,399	\$1,789,552

See accountants' audit report and accompanying notes

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Nature of Activities

Interfaith Social Services, Inc. (the Organization) is a multiservice non-profit center for families and individuals in need. Since 1947, the Organization has endeavored to strengthen family life and offer assistance to the South Shore by feeding, clothing, and comforting its impoverished citizens.

Interfaith Social Services, Inc. provides food and clothing for needy families through the Pantry Shelf and Career Closet programs which are staffed by volunteers. The Organization's New Directions Counseling Center provides counseling services on a generous sliding-fee scale to adults, children, couples and families. Homesafe is a homelessness prevention and emergency assistance program. The Bureau Drawer Thrift Shop offers low cost clothing and household goods to the community.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Support and Revenue

Contributions are generally available for unrestricted use in the related fiscal year unless specifically restricted by the donor. Unconditional promises to give are recorded when received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or restricted purpose 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.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and reported amounts of revenues and expenses during the reporting period. The principal estimates used in preparing the financial statements are the determination of the fair value of investments, the allowance for bad debts, the allocation of expenses amongst programs, the net asset classification of contributions, and the allocation of the investment return to the various classes of net assets. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Advertising Costs

The Organization has adopted the policy of expensing all advertising costs in the period incurred.

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation and Amortization

Property and equipment purchased for \$2,000 or more is capitalized at cost and depreciated using the straight-line method over the estimated useful life. Buildings and improvements are estimated at 30-50 years and furniture and equipment are estimated at 3-10 years.

Financial Statement Presentation

Accounting principles generally accepted in the United States of America require the Organization 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) based upon the existence or absence of donor-imposed restrictions. In addition, the Organization is required to present a statement of cash flows. Accounting principles generally accepted in the United States of America also require that contributions received are recorded as unrestricted, temporarily restricted, and permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, the Organization has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Functional Allocation of Expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenditures not directly chargeable are allocated to a program based on square footage for occupancy costs and direct labor for payroll related costs. Payroll taxes and employee benefits are allocated based on payroll and depreciation, utilities, insurance, interest and repairs & maintenance are allocated to programs and administration based on square footage.

Investment Valuation and Income Recognition

Investments are carried at fair value, as determined by quoted market prices or derived by a computerized valuation model, with the change in market value being reported in the statement of activities. Realized gains or losses on the sale of investment securities are computed by the specific identification method. Interest and dividends are recorded on the accrual basis.

Fair Value Hierarchy

Accounting principles generally accepted in the United States of America have established a hierarchical framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments held by the Organization are measured using inputs from one of the three levels of the fair value hierarchy. Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are as follows:

Level 1 – Valuation is based on quoted prices in active markets for identical assets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

Level 2 - Valuation is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets. Level 3 assets include financial instruments whose value is determined using unobservable inputs to pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The Organization recognizes transfers between levels at the end of the reporting period as if transfers occurred on the last day of the reporting period. There were no transfers in the year ended June 30, 2014.

Income Tax Status

Interfaith Social Services, Inc. is classified by the Internal Revenue Service as a publicly supported organization under Internal Revenue Code Section 509(a) and is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken, including the position that the Organization qualifies as a tax-exempt organization, and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2014, there were no uncertain tax positions that require disclosure in the financial statements. No interest or penalties were recorded in fiscal 2014.

NOTE 3 – FEES & PLEDGES RECEIVABLE

Fees and pledges receivable consisted of counseling fees of \$6,136. A reserve for uncollectible accounts was not required.

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 4 – CONCENTRATION OF CREDIT RISK

The Organization's bank deposits do not exceed federally insured limits. The Organization has not experienced losses in such accounts and believes it is not exposed to any significant risks on bank deposits. At June 30, 2014 there were no funds in excess of federally insured limits in the Organization's accounts.

NOTE 5 – BUREAU DRAWER

The "Bureau Drawer" was instituted in 1975 to receive donations of articles which might be sold to provide funds for the operation of the agency. An inventory of such articles was on hand at the beginning and the end of the year but was not carried at a value on the books of the agency. Income is recorded in the Bureau Drawer Fund when such donated articles are sold, and amounted to \$52,241. Volunteer services valued at \$178,983 were not recorded in the financial statements.

NOTE 6 – PANTRY SHELF ACTIVITY

Pantry shelf activity of \$1,142,314 included the following:

Cash Contributions	\$ 1,750
Donated Toys & Gifts	60,600
Foundation Grants	36,278
Donated Food	<u>1,043,686</u>
Total Pantry Shelf Activity	<u>\$ 1,142,314</u>

Volunteer services valued at \$232,443 were not recorded in the financial statements.

NOTE 7 – RETIREMENT PLAN

Interfaith Social Services, Inc. sponsors a Tax Deferred Annuity retirement plan under code section 403(b) covering employees after a specified period of service. The Organization's policy is to fund at a specified percentage of an employee's earnings. The Organization contributed \$11,308 to the plan in fiscal 2014. Eligible employees may also contribute a portion of their annual compensation. The employees contributed \$8,300 to the plan in fiscal 2014.

NOTE 8 – ADA BACON FUND

Interfaith Social Services, Inc. receives funds from the Ada Bacon Fund for disbursement to persons in need of medical assistance on the South Shore. During the year ended June 30, 2014 additional cash contributions of \$23,036 were received and additional cash distributions of \$19,012 were made.

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 9 – MAJOR GRANTS AND DONATIONS

In fiscal 2014 the Organization was awarded the following major grants and donations:

Ada Bacon Trust	\$ 23,036
Alice Willard Dorr Foundation	10,000
Arbella Charitable Foundation	90,000
BC/BS of MA Foundation	10,000
BJ's Charitable Foundation	9,000
BJ's In-Kind	142,673
Boston Evening Clinic Foundation	5,000
Boston Financial Data Services	10,000
Boston Scientific Foundation	10,000
Chipotle In-Kind	43,957
Copeland Family Foundation	12,500
Dunkin Donuts/Baskin Robbins Foundation Grant	5,000
First Congregational Church Foundation M	6,000 7,500
Greater Boston Council on Alcoholism	5,000
Greater Boston Food Bank In-Kind	369,336
Hannaford's In-Kind	222,571
Harold Brooks Foundation	15,000
Project Bread	5,000
State Street Foundation	15,000
Stop & Shop	2,500
Stop & Shop In-Kind	175,856
The Frederick E. Weber Charities Corporation	7,000
The Grace Brooks Foundation	15,000
TJX Foundation	5,000
Trader Joe's In-Kind	46,026
Anonymous	6,000
Total Major Grants and Donations	<u>\$ 1,273,955</u>

INTERFAITH SOCIAL SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 10 – DONATED GOODS AND SERVICES

Interfaith Social Services, Inc. records the value of donated goods as there is an objective basis available to estimate their value. Food is valued based on a count of the number of bags and boxes donated and the average weight of each. Weight checks are conducted throughout the year to develop an average weight. The value of food that is donated and purchased through the food bank is reported to us each week. The value of a pound of food is based on America’s Second Harvest annual donated food valuation statistics. The value of all silent auction items and donated clothing to the thrift shop is determined by how much bidders and buyers pay for them. Toys and gifts are valued at retail. Volunteer services are estimated using an accounting of hours donated and a rate of \$27 per hour, based on IndependentSector.org’s annual calculations.

Donated goods are reflected as contributions in the accompanying statements. The value of donated goods included in the financial statements for the year ended June 30, 2014 is as follows:

Food - Pantry Shelf	\$ 1,043,686
Christmas Toys and Gifts	60,600
Feed The Hungry Silent Auction	15,550
South Shore Walk Silent Auction	2,620
Career Closet	2,920
Donated Clothing	<u>52,241</u>
Total Donated Goods	<u><u>\$ 1,177,617</u></u>

Interfaith Social Services, Inc. does not record the value of donated services in the accompanying statements. The value of these donated services for the year ended June 30, 2014 is as follows:

Volunteer Services - Pantry Shelf	\$ 239,331
Volunteer Services - Bureau Drawer	178,983
Volunteer Services - Administrative	59,535
Volunteer Services - Fundraising	41,499
Volunteer Services - Career Closet	<u>783</u>
Total Donated Services	<u><u>\$ 520,131</u></u>

NOTE 11 – SUPPLEMENTAL DISCLOSURES REGARDING CASH FLOWS

Payments made by the Organization for interest and income taxes were as follows:

Interest paid	\$0
Income taxes paid	\$0

INTERFAITH SOCIAL SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes as of June 30, 2014:

Building	\$ 30,600
Pantry Shelf	15,000
Homesafe Housing Assistance	14,809
Medical Assistance	<u>4,024</u>
Total Temporarily Restricted Net Assets	<u>\$ 64,433</u>

Net assets of \$85,531 were released from restrictions during the year ended June 30, 2014.

NOTE 13 – INVESTMENTS

Investments at June 30, 2014 are summarized as follows:

Money Market Funds

Money Market Fund at 0.30%	\$ 26,374
Money Market Fund at 0.05%	53,010
Money Market Fund at 0.10%	<u>36,615</u>
Total Money Market Funds	115,999

Certificates of Deposit

Certificate of Deposit at 0.45% with a fourteen month term due 11/5/14	20,881
Certificate of Deposit at 0.90% with a two year term due 01/11/2015	56,147
Certificate of Deposit at 1.29% with a thirteen month term due 3/27/15	15,068
Certificate of Deposit at 0.55% with an eighteen month term due 12/27/15	<u>16,059</u>
Total Certificates of Deposit	<u>108,155</u>
	<u>224,154</u>

The composition of the investment return (loss) as reported in the statement of activities for the year ended June 30, 2014 is as follows:

	<u>Unrestricted</u>
Income on Investments Consisting of Interest	\$ 1,036
Net Realized Gain	<u>-</u>
Return on Investments	<u>\$ 1,036</u>

INTERFAITH SOCIAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 13 – INVESTMENTS (concluded)

Fair Value Hierarchy

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2014.

Common and preferred stocks: Valued based on quoted market prices.

Mutual and money market funds: Valued at the net asset value of the shares held at year end.

Debt securities and certificates of deposit: Valued based on pricing models that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, credit spreads and new issue data.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments at Fair Value on a Recurring Basis

The following table presents the Organization's fair value hierarchy as described in Note 2 for investments measured at fair value on a recurring basis as of June 30, 2014:

<u>Description</u>	<u>Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Funds	115,999	115,999	-	-
Certificates of Deposit	108,155	108,155	-	-
Total Investments	<u>\$ 224,154</u>	<u>\$ 224,154</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 14 – INVENTORY

The inventory at June 30, 2014 consisted of food in the amount of \$25,870 and clothing in the amount of approximately \$16,000. The value of food was estimated using an average unit value and the value of clothing was estimated using standard thrift shop prices.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 11, 2014 which is the date the financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.