ALIVE MINISTRIES, INC.

Financial Statements
For the Year Ended December 31, 2013
and
Independent Accountant's Report

ALIVE MINISTRIES, INC.

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MICHELLE
ROBINSON LLC
CERTIFIED PUBLIC ACCOUNTANT

MEMBER OF GEORGIA SOCIETY OF
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Independent Accountant's Report

To the Board of Directors
Alive Ministries, Inc.

I have reviewed the accompanying statement of financial position of Alive Ministries, Inc. (a non-profit organization) as of December 31, 2013, and the related statements of activities and changes in net assets and cash flows for the year then ended, in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

My review consists principally of inquiries of company personnel and analytical procedures applied to financial data; it is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

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

Michelle Robinson LLC

Carrollton, Georgia
March 28, 2014

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ALIVE MINISTRIES, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

ASSETS

ASSETS		
Cash and cash equivalents	$	43,695
Food inventory		42,896
Automobiles, furniture and equipment, net		21,940
Security deposit		1,962
TOTAL ASSETS	$	110,493

LIABILITIES AND NET ASSETS

LIABILITIES		
Accrued expenses	$	1,344
NET ASSETS		
Unrestricted net assets		109,149
TOTAL LIABILITIES AND NET ASSETS	$	110,493

The accompanying notes are an integral part of these financial statements.

ALIVE MINISTRIES, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Grants	$ 20,250	$ -	$ 20,250
Donations	70,214	-	70,214
In-kind donations	141,988	-	141,988
Fundraising	58	-	58
Release from restrictions	-	-	-
TOTAL SUPPORT AND REVENUE	232,510	-	232,510
EXPENSES			
Program services	172,103	-	172,103
General and administrative	6,906	-	6,906
Fundraising	2,919	-	2,919
TOTAL EXPENSES	181,928	-	181,928
CHANGE IN NET ASSETS	50,582	-	50,582
NET ASSETS, BEGINNING OF YEAR	58,567	-	58,567
NET ASSETS, END OF YEAR	$ 109,149	$ -	$ 109,149

[The accompanying notes are an integral part of these financial statements

ALIVE MINISTRIES, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITES		
Change in net assets	$	50,582
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense		2,522
Change in operating assets (increase) decrease:		
Food inventory		(24,576)
Security deposit		(38)
Change in operating liabilities increase (decrease):		
Accrued expenses		10
NET CASH PROVIDED BY OPERATING ACTIVITIES		28,500
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment		(4,481)
NET INCREASE IN CASH		24,019
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		19,676
CASH AND CASH EQUIVALENTS, END OF YEAR	$	43,695

The accompanying notes are an integral part of these financial statements.

1) Nature of Organization

Description of organization – Alive Ministries, Inc. (the "Organization") is a Georgia non-profit corporation. The purpose of the Organization is to meet the needs of children in the local community, by providing for their basic needs of food and toiletries within local school systems. Save It Forward is an initiative of the Organization which maximizes financial donations with the innovative approach of extreme couponing, empowering and educating individuals to purchase and donate food and toiletries at minimal cost, therefore allowing the Organization to serve more children in need with less cost associated and a smaller budget. The initiative along with corporate and other non-profit partnerships funds the establishment of food pantries in Cobb County Schools allowing the Organization to serve children and families in crisis within those school districts. The Organization's primary source of funding is corporate and individual donations.

2) Summary of significant accounting policies

The following is a summary of the Organization's significant accounting policies:

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

Basis of presentation – Financial statement presentation follows the requirements of the Financial Accounting Standards Board in ASC 958-205, *Not-for-Profit Entities, Presentation of Financial Statements* (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Non-Profit Organizations*. These standards 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. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets – Net assets are currently available at the discretion of the board for use in the Organization's operations and those resources invested in property and equipment.

- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time.

- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that will remain permanently restricted as the donation principal may not be used by the Organization.

2) Summary of significant accounting policies (continued)

The Organization reports donations of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. In accordance with FASF ASC Topic 958-605, *Revenue Recognition*, revenues are reported as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence or non-existence of donor imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose 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.

Revenue recognition – When both restricted and unrestricted resources are available for use of the same purpose, it is the Organization's policy to use restricted resources first, then unrestricted resources as they are needed.

Grants conditioned on the incurrence of certain qualifying expenses are recognized as grant revenues to the extent that expenses are incurred. Revenues under performance-based contracts are recorded as the Organization performs the services required by the contracts.

In-kind contributions and contributed services – Donated materials, furniture, and equipment are recorded at their estimated fair market values at date of receipt and are reflected as contribution revenue in the accompanying financial statements. The Organization received various donated services, facilities, and program materials of $141,988 for the year ended December 31, 2013. These amounts are included in the accompanying statement of functional expenses and statement of activities as in-kind expense and in-kind contributions revenue, respectively.

Many individuals volunteer from time to time to perform a variety of tasks that assist the Organization in its operations. The Organization records the value of contributed services when there is an objective basis available to measure the value. These volunteer services are significant and form an integral part of the efforts of the Organization, but they do not meet the criteria for recognition as contributed services.

Cash and cash equivalents – The Organization considers cash and cash equivalents and other demand deposits, including certain certificates of deposits, to be cash equivalents, as well as highly liquid investments with maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

1) Summary of significant accounting policies (continued)

Furniture and equipment – Furniture and equipment are generally recorded at cost, or if donated, at their estimated fair value at the date of donations. The Organization follows the policy of capitalizing all expenditures for furniture and fixtures, office and other equipment in excess of $500. Furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, 3 to 5 years. Expenses for maintenance and repairs that do not significantly extend the useful lives of the assets are expensed as incurred, while major replacements and betterments are capitalized.

Fair value of financial instruments – The Organization's financial instruments consists of cash and cash equivalents and accrued expenses. The carrying values of these financial instruments approximate their fair values, because of their short-term liabilities.

Income taxes – The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in the financial statements.

On July 13, 2006, the Financial Accounting Standards Board ("FASB") released FASB Interpretation No. 48 *Accounting for Uncertainty in Income Taxes (*primarily codified by FASB ASC 740, *Income Taxes*). FASB ASC 740 provides guidance for how uncertain tax provisions should be recognized, measured, presented and disclosed in the financial statements. FASB ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions would "more likely-than-not" be sustained if challenged by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year.

In September 2009, the FASB issued Accounting Standards Update ("ASU") No. 2009-06, Income Taxes (Topic 740) *Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities.* This ASU provides further guidance on the application of FASB ASC 740 as it relates to uncertainty in income taxes and eliminates certain disclosure requirements for nonpublic companies. This guidance is effective for financial statements issued for interim and annual periods that end after September 15, 2009.

Effective July 1, 2009, the Organization adopted FASB ASC 740. Management has evaluated the implications of FASB ASC 740 and does not believe it has a material impact on the 2013 statement of financial position of the Organization. Management is unaware of any unrecognized tax positions in existence as of December 31, 2013.

2) Summary of significant accounting policies (continued)

Functional allocation of expenses – The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among programs and supporting services.

Estimates – The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

3) Computers and equipment

Computers and equipment at December 31, 2013, consists of the following:

Cost		
Computers, equipment and software	$	23,460
Automobiles		10,087
Total		33,547
Less accumulated depreciation and amortization		(11,607)
Furniture and equipment, net	$	21,940

Depreciation expense totaled $2,522 in 2013. The depreciation policies followed by the Organization are described in Note (2).

4) Lease commitments

The Organization leased warehouse space under a lease agreement at a rate of $0 per month for the period December 1, 2012 to November 30, 2013. In November 2013, the lease agreement was amended and extended until November 30, 2014 at an annual rental of $6,000, payable in equal monthly installments of $500 in advance on the first day of each calendar month.

Rent expense recognized for the year ended December 31, 2013 was $37,152 for donated warehouse space and $1,000 for warehouse space under the new lease agreement.

5) Related parties

The Organization received $30,926 in donations from board members of the Organization during the year ended December 31, 2013.

6) Net assets

Unrestricted net assets represent unrestricted resources available to support the programs and activities of the Organization. Amounts available for this purpose as of December 31, 2013 were $109,149.

7) Donated Services and In-kind contributions

The Organization received various donated facilities and program materials of $141,988 for the year ended December 31, 2013. The financial statements reflect the fair value amounts for donated program materials in the amount of $104,836 and donated facilities of $37,152 for the year ended December 31, 2013.

Volunteers contributed hours and provided services in several areas of the Organization and performed various activities. These services do not meet the criteria for financial statement recognition and, accordingly, the value of these services has not been reported in the financial statements.

8) Concentrations

There were three major contributors to the Organization for the year ended December 31, 2013 which represented 49% of donations.

9) Subsequent events

Management has evaluated subsequent events through March 28, 2014, the date which the financial statements were available to be issued and has determined that there were no subsequent event matters that require recognition or disclosure in the financial statements.