

**SHIVELY AREA MINISTRIES, INC.
LOUISVILLE, KENTUCKY**

FINANCIAL STATEMENTS

**YEARS ENDED
JUNE 30, 2016 AND 2015**

SHIVELY AREA MINISTRIES, INC.

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MONROE SHINE

KNOWLEDGE FOR TODAY . . . VISION FOR TOMORROW

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Independent Auditor's Report

Board of Directors
Shively Area Ministries, Inc.
Louisville, Kentucky

We have audited the accompanying financial statements of **Shively Area Ministries, Inc.**, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 **Shively Area Ministries, Inc.** as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Monroe Shine

Louisville, Kentucky
November 11, 2016

SHIVELY AREA MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION
YEARS ENDED JUNE 30, 2016 AND 2015

ASSETS		<u>2016</u>	<u>2015</u>
CURRENT ASSETS			
Cash	\$	151,420	\$ 144,252
Grants receivable		7,865	26,976
Contributions receivable		-	12,500
Donated food inventory		28,653	48,374
Investments		285,292	198,290
Prepaid expenses		7,686	12,925
Total Current Assets		<u>480,916</u>	<u>443,317</u>
PROPERTY AND EQUIPMENT			
Building		699,747	679,096
Furniture and equipment		47,449	46,199
		<u>747,196</u>	<u>725,295</u>
Less accumulated depreciation		(238,540)	(206,643)
Net Property and Equipment		<u>508,656</u>	<u>518,652</u>
TOTAL ASSETS	\$	<u>989,572</u>	\$ <u>961,969</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Current installments of long-term debt	\$	1,913	\$ 1,813
Accounts payable		3,947	690
Deferred revenue		44,290	51,430
Accrued expenses		17,470	17,781
Total Current Liabilities		<u>67,620</u>	<u>71,714</u>
LONG-TERM DEBT , less current installments		<u>8,763</u>	<u>10,676</u>
NET ASSETS			
Unrestricted		587,944	619,104
Unrestricted - board designated		285,292	198,290
Temporarily restricted		39,953	62,185
Total Net Assets		<u>913,189</u>	<u>879,579</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>989,572</u>	\$ <u>961,969</u>

See notes to financial statements.

SHIVELY AREA MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
REVENUES AND SUPPORT						
Public support	\$ 173,676	\$ 44,230	\$ 217,906	\$ 264,616	\$ 11,059	\$ 275,675
Donated advertising	87,750	-	87,750	-	-	-
Fundraising	145,704	-	145,704	104,692	500	105,192
Donated food	174,015	-	174,015	212,115	-	212,115
Governmental grants	-	84,700	84,700	-	84,700	84,700
Organizational grants	1,171	122,415	123,586	9,695	134,747	144,442
Organizational support	56,636	11,206	67,842	52,359	14,983	67,342
Other income	9,090	13	9,103	6,361	-	6,361
Investment income	3,334	-	3,334	1,346	-	1,346
Interest income	69	-	69	77	-	77
Capital campaign contributions	-	-	-	5,000	-	5,000
Loss on disposal of property and equipment	(416)	-	(416)	(550)	-	(550)
Net assets released from restrictions	284,796	(284,796)	-	243,230	(243,230)	-
Total Revenues and Support	<u>935,825</u>	<u>(22,232)</u>	<u>913,593</u>	<u>898,941</u>	<u>2,759</u>	<u>901,700</u>
EXPENSES						
Program services	662,560	-	662,560	666,700	-	666,700
Management and general	65,082	-	65,082	58,115	-	58,115
Fundraising:						
Donated advertising	87,750	-	87,750	-	-	-
Other fundraising expenses	64,591	-	64,591	72,419	-	72,419
	<u>152,341</u>	<u>-</u>	<u>152,341</u>	<u>72,419</u>	<u>-</u>	<u>72,419</u>
Total Expenses	<u>879,983</u>	<u>-</u>	<u>879,983</u>	<u>797,234</u>	<u>-</u>	<u>797,234</u>
Change in Net Assets	55,842	(22,232)	33,610	101,707	2,759	104,466
Net Assets at Beginning of Year	<u>817,394</u>	<u>62,185</u>	<u>879,579</u>	<u>715,687</u>	<u>59,426</u>	<u>775,113</u>
Net Assets at End of Year	<u>\$ 873,236</u>	<u>\$ 39,953</u>	<u>\$ 913,189</u>	<u>\$ 817,394</u>	<u>\$ 62,185</u>	<u>\$ 879,579</u>

See notes to financial statements.

SHIVELY AREA MINISTRIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>				<u>2015</u>			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
DIRECT ASSISTANCE								
Food distributed	\$ 221,420	\$ -	\$ -	\$ 221,420	\$ 236,727	\$ -	\$ -	\$ 236,727
Utility assistance	90,809	-	-	90,809	62,171	-	-	62,171
Housing assistance	43,874	-	-	43,874	47,088	-	-	47,088
Program stability and emergency assistance	31,503	-	-	31,503	40,883	-	-	40,883
Winter help expenses	11,900	-	-	11,900	18,830	-	-	18,830
Medical assistance	10,706	-	-	10,706	13,279	-	-	13,279
Transportation	7,633	-	-	7,633	13,297	-	-	13,297
School supplies	5,500	-	-	5,500	6,303	-	-	6,303
Younger Women's Club	5,000	-	-	5,000	5,000	-	-	5,000
Meals on Wheels	-	-	-	-	52	-	-	52
Total Direct Assistance	<u>428,345</u>	<u>-</u>	<u>-</u>	<u>428,345</u>	<u>443,630</u>	<u>-</u>	<u>-</u>	<u>443,630</u>
ADMINISTRATIVE EXPENSES								
Salaries and wages	134,044	30,293	31,569	195,906	132,798	29,870	31,134	193,802
Public relations	-	10,274	-	10,274	-	6,477	-	6,477
Advertising - in-kind	-	-	87,750	87,750	-	-	-	-
Depreciation	34,044	2,432	-	36,476	32,481	2,320	-	34,801
Fundraising supplies	-	-	27,952	27,952	-	-	38,681	38,681
Office supplies	11,885	5,095	-	16,980	8,153	3,493	-	11,646
Payroll taxes	10,913	2,466	2,570	15,949	11,109	2,499	2,604	16,212
Professional fees	8,800	3,771	-	12,571	9,665	4,142	-	13,807
Insurance	10,014	715	-	10,729	6,852	489	-	7,341
Utilities	9,911	708	-	10,619	9,957	711	-	10,668
Repairs and maintenance	6,242	2,675	-	8,917	4,788	2,052	-	6,840
Other operating expenses	3,822	1,587	-	5,409	3,828	1,598	-	5,426
Volunteer appreciation	3,899	-	-	3,899	2,710	-	-	2,710
Membership fees	-	3,234	-	3,234	-	3,268	-	3,268
Bad debt expense	-	-	2,500	2,500	-	-	-	-
Fees and taxes	-	1,348	-	1,348	-	613	-	613
Bank charges	-	438	-	438	-	41	-	41
Interest	641	46	-	687	729	52	-	781
Income taxes	-	-	-	-	-	490	-	490
Total Administrative Expenses	<u>234,215</u>	<u>65,082</u>	<u>152,341</u>	<u>451,638</u>	<u>223,070</u>	<u>58,115</u>	<u>72,419</u>	<u>353,604</u>
Total Functional Expenses	<u>\$ 662,560</u>	<u>\$ 65,082</u>	<u>\$ 152,341</u>	<u>\$ 879,983</u>	<u>\$ 666,700</u>	<u>\$ 58,115</u>	<u>\$ 72,419</u>	<u>\$ 797,234</u>

See notes to financial statements.

SHIVELY AREA MINISTRIES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 33,610	\$ 104,466
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	36,476	34,801
Amortization of discount on contributions receivable	-	(1,257)
Change in allowance for doubtful contributions receivable	-	(425)
Donated property and equipment	(2,400)	-
Imputed interest on interest-free debt	687	781
Unrealized (gains) loss on investments	(2,658)	4,646
Realized (gains) losses on investments	4,535	(5,379)
Loss on sale of property and equipment	416	550
(Increase) decrease in assets:		
Grants receivable	19,111	(9,568)
Prepaid expenses	5,239	(6,945)
Donated food inventory	19,721	(15,120)
Increase (decrease) in liabilities:		
Accounts payable	3,257	(1,375)
Deferred revenue	(7,140)	23,340
Accrued expenses	(311)	4,530
Net Cash Provided By Operating Activities	110,543	133,045
INVESTING ACTIVITIES		
Purchases of investments	(88,879)	(177,000)
Purchase of property and equipment	(24,496)	(3,471)
Net Cash Used In Investing Activities	(113,375)	(180,471)
FINANCING ACTIVITIES		
Payments received on contributions receivable	12,500	30,000
Repayment of long-term debt	(2,500)	(2,500)
Net Cash Provided By Financing Activities	10,000	27,500
Net Increase (Decrease) in Cash	7,168	(19,926)
Cash at beginning of year	144,252	164,178
Cash at End of Year	\$ 151,420	\$ 144,252
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for:		
Interest	\$ -	\$ 10,865
Taxes	-	490
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Donated food inventory received	\$ 174,015	\$ 212,115
Donated food inventory distributed	193,744	196,995
Donated property and equipment received	2,400	-

See notes to financial statements.

SHIVELY AREA MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Shively Area Ministries, Inc. (the "Organization") is a nonprofit organization whose goal is to provide for the needs of low-income individuals and families in the Shively, Kentucky area.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

The Organization presents its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets.

Certain prior year accounts have been reclassified to conform to current year presentations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Concentration of Credit Risk

The Organization maintains its cash at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation. At times, the balances may be in excess of federal insured limits. As of June 30, 2016 and 2015, the Organization had no uninsured balances.

Grants Receivable

Receivables consist of grants due to the Organization from various parties. The Organization utilizes the allowance method for recording bad debts. Management has determined no allowance was required at June 30, 2016 and 2015.

Inventory

Inventory consists of donated food items acquired primarily through donations from the general public. Management determines the value of donated food items based on a per-pound value using the weighted average price per pound as determined by Feeding America. This valuation method is applied to all the items donated throughout the year as well as to the items on hand as of year-end.

SHIVELY AREA MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2016 AND 2015

(1 – continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management reviews all contribution receivable balances that are past due and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Estimated uncollectible accounts increase the allowance for doubtful accounts and when the accounts receivable are written off, the allowance for doubtful accounts is decreased.

Contributions of noncash assets are recorded at their fair value at the date of donation. Contributed services that require specific expertise and would normally have been purchased and donated services that create or enhance non-financial assets are recorded at fair market value. Those donated services that do not meet these specific criteria are not reflected in the financial statements.

Investments

The Organization's investments are stated at fair value. See Note 9 for additional discussions of fair value measurement. Purchases and sales of securities are recorded on a trade-date basis.

Management fees and operating expenses charged to the Organization for investments within the pooled separate accounts are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for these investments.

Property and Equipment

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are recorded as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over the assets useful lives.

Expenditures for maintenance and repairs are expensed as incurred.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

SHIVELY AREA MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2016 AND 2015

(1 – continued)

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not provide for income taxes.

The Organization has implemented the accounting guidance for uncertainty in income taxes. Under that guidance, tax positions need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of June 30, 2016, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Organization files federal Forms 990 and 990-T. Returns filed for tax years ended on or after June 30, 2013 are subject to examination. The Organization is not currently being examined and management believes its tax-exempt status would be upheld under examination.

(2) **ASSETS TRANSFERRED TO A RECIPIENT ORGANIZATION**

During the year ended June 30, 2016 and 2015, the Organization transferred \$85,000 and \$177,000, respectively to the Kentucky Baptist Foundation (the “Foundation”). Amounts reported in the statement of financial position under the caption of “Investments” represent the net cumulative transfers by the Organization to the Foundation, as well as earnings thereon. These amounts totaled \$285,292 and \$198,290 at June 30, 2016 and 2015, respectively. The Foundation holds and invests the funds on behalf of the Organization. The Foundation has no variance power over the funds. Instead, the funds are distributed to the Organization upon request to the Foundation.

(3) **INVESTMENTS**

The following is a summary of the Organization’s investments held as of June 30, 2016 and 2015:

	Cost	Net Appreciation (Depreciation) in Fair Value of Assets	Fair Value
June 30, 2016:			
Kentucky Baptist Foundation:			
Equity Fund	\$ 146,078	\$ (2,342)	\$ 143,736
Fixed Income Fund	140,716	840	141,556
	\$ 286,794	\$ (1,502)	\$ 285,292
 June 30, 2015:			
Kentucky Baptist Foundation:			
Equity Fund	\$ 102,731	\$ (2,358)	\$ 100,373
Fixed Income Fund	99,719	(1,802)	97,917
	\$ 202,450	\$ (4,160)	\$ 198,290

SHIVELY AREA MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2016 AND 2015

(4) CONTRIBUTIONS RECEIVABLE

The Organization conducted capital campaigns during the 2009 and 2011 fiscal years to finance the expansion of the Organization's facilities and to pay down the associated debt. Capital campaign pledges are included in the financial statements as pledges receivable and revenue of the appropriate net asset category.

No contribution receivable balances remained at June 2016. Capital campaign pledges consisted of the following and are expected to be realized at June 30, 2015:

Amounts due in:

Less than one year	\$ 12,500
One to five years	<u>-</u>
Net contributions receivable	<u>\$ 12,500</u>

(5) LONG-TERM DEBT

Long-term debt at June 30, 2016 and 2015 was as follows:

	<u>2016</u>	<u>2015</u>
Non-interest bearing uncollateralized note payable to individual in annual principal payments of \$2,500, maturing October 2020	\$ 10,676	\$ 12,489
Less payments due within one year	<u>(1913)</u>	<u>(1813)</u>
Total long-term debt	<u>\$ 8,763</u>	<u>\$ 10,676</u>

A donor has provided unsecured, interest-free loans totaling \$25,000 for the Organization's operations. Principal on the loans is due in full at maturity in fiscal year 2021 as detailed above. The Organization has previously recorded contribution revenue and a loan discount using a rate of 5.5%. The loans are reported in the statement of financial position net of an unamortized discount of \$1,824 and \$2,511 at June 30, 2016 and 2015, respectively. The discount on the loans is being amortized to interest expense over the life of the loan.

Following is a schedule by years of maturity requirements on long-term debt as of June 30, 2016:

Year Ending June 30:	
2017	\$ 1,913
2018	2,018
2019	2,129
2020	2,246
2021	<u>2,370</u>
Total	<u>\$ 10,676</u>

SHIVELY AREA MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2016 AND 2015

(6) BOARD DESIGNATED FUNDS

During 2015, the Board approved the establishment of a Board designated fund. The purpose of this balance is to fund the continued expansion of the Organization's program services. These funds are held in an investment account with the Kentucky Baptist Foundation, and totaled \$285,292 and \$198,290 at June 30, 2016 and 2015, respectively.

(7) TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2016 and 2015, temporarily restricted net assets consisted of the following:

	<u>2016</u>	<u>2015</u>
Program services	\$ 38,129	\$ 47,174
Non-interest bearing note payable discount	1,824	2,511
Capital campaign contributions	<u>-</u>	<u>12,500</u>
	<u>\$ 39,953</u>	<u>\$ 62,185</u>

(8) EMPLOYEE RETIREMENT PLAN

The Organization sponsors a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. Under the plan, employees contribute a specified percentage of their salary, or a fixed dollar amount, to the plan. The organization matches up to 1%. Contributions totaling \$972 and \$944 for the years ended June 30, 2016 and 2015, respectively, were made by the Organization, in addition to the elective deferrals made by employees.

(9) FAIR VALUE MEASUREMENTS

The Organization has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 Fair Value Measurements, for financial and nonfinancial assets and liabilities.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted market price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Level 2: Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted market prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.

SHIVELY AREA MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2016 AND 2015

(9 – continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to all of the Organization’s financial assets and liabilities carried at fair value. The table below presents the balances of assets and liabilities measured at fair value on a recurring and non-recurring basis.

	<u>Carrying Value</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
June 30, 2016:				
<i>Assets Measured on a Recurring Basis</i>				
Investments:				
Kentucky Baptist Foundation Equity Fund	\$ -	\$ 143,736	\$ -	\$ 143,736
Kentucky Baptist Foundation Fixed Income Fund	-	141,556	-	141,556
<i>Assets Measured on a Non-Recurring Basis</i>				
Donated food inventory	-	-	28,653	28,653
June 30, 2015:				
<i>Assets Measured on a Recurring Basis</i>				
Investments:				
Kentucky Baptist Foundation Equity Fund	\$ -	\$ 100,373	\$ -	\$ 100,373
Kentucky Baptist Foundation Fixed Income Fund	-	97,917	-	97,917
Contributions receivable	-	-	12,500	12,500
<i>Assets Measured on a Non-Recurring Basis</i>				
Donated food inventory	-	-	48,374	48,374

Investments – Units in pooled separate accounts by the Kentucky Baptist Foundation are valued at the fair value of the assets underlying the funds. There have been no changes in the valuation techniques and related inputs used for assets measured at fair value during the year ended June 30, 2016.

Contributions Receivable - Contributions receivable are reported at fair value on a recurring basis using level 3 inputs. The fair value is based on the expected future cash flows of pledge collections. All pledges due in one year or later are discounted using the rate in effect for the year of the original pledge.

SHIVELY AREA MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2016 AND 2015

(9 – continued)

Donated Food Inventory - Contributed food inventory is recorded at fair value on a non-recurring basis using level 3 inputs. The fair value is based on a per-pound value using the weighted average price per pound as determined by Feeding America.

The following table provides a summary of changes in fair value of the Organization's Level 3 assets.

	Contributions Receivable
July 1, 2015	\$ 12,500
Pledge collections	(12,500)
June 30, 2016	\$ -

(10) DONATED ADVERTISING

The Organization received an in-kind donation of advertising from a newspaper to promote its fall fundraising event. The fair value of \$87,750 was recognized as both revenue and expense for the year ended June 30, 2016. The amount is reported as fundraising expense on the statement of functional expenses.

(11) SUBSEQUENT EVENTS

The Organization has evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through November 11, 2016, the date these financial statements were available to be issued. The Organization has determined that there are no such subsequent events.