

# FIRST CHOICE OF SAGINAW, INC.

**Saginaw, Michigan**

## **Financial Statements**

**For the Year Ended December 31, 2009**



SMITH & KLACZKIEWICZ, PC  
CPA'S AND CONSULTANTS

# FIRST CHOICE OF SAGINAW, INC.

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SMITH & KLACZKIEWICZ, PC  
CPA'S AND CONSULTANTS

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A VETERAN OWNED BUSINESS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
First Choice of Saginaw, Inc.  
Saginaw, Michigan

We have audited the accompanying statement of financial position of *First Choice of Saginaw, Inc.* (the "Organization"), a nonprofit organization, as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *First Choice of Saginaw, Inc.* as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Smith + Klaczkiwicz PC*

**Saginaw, Michigan**

July 20, 2010

# FIRST CHOICE OF SAGINAW, INC.

## STATEMENT OF FINANCIAL POSITION

*December 31, 2009*

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Assets:

Cash and cash equivalents	<u>\$ 3,228</u>
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Liabilities and net assets:

Liabilities:

Accounts payable	\$ 20
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Net assets:

Unrestricted	<u>3,208</u>
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Total liabilities and net assets	<u>\$ 3,228</u>
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*The accompanying notes are an integral part of these financial statements.*

# FIRST CHOICE OF SAGINAW, INC.

## STATEMENT OF ACTIVITIES

*For the Year Ended December 31, 2009*

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Revenues	
Contributions	<u>\$ 10,827</u>
Expenses	
Program services	8,090
Fundraising	75
Dues and fees	20
Supplies	<u>138</u>
Total expenses	<u>8,323</u>
Change in net assets	2,504
Net assets - beginning of year	<u>704</u>
Net assets - end of year	<u><u>\$ 3,208</u></u>

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

# FIRST CHOICE OF SAGINAW, INC.

## STATEMENT OF CASH FLOWS

*For the Year Ended December 31, 2009*

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Cash flows from operating activities	
Change in net assets	\$ 2,504
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Changes in assets and liabilities which provided (used) cash:	
Accounts payable	<u>(730)</u>
Net cash provided by (used in) operating activities	<u>1,774</u>
Net increase (decrease) in cash	1,774
Cash and cash equivalents - beginning of year	<u>1,454</u>
Cash and cash equivalents - end of year	<u><u>\$ 3,228</u></u>

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

# First Choice of Saginaw, Inc.

## Notes to Financial Statements

For the Year Ended December 31, 2009

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### **NOTE 1 – Summary of Significant Accounting Policies**

The accounting policies of *First Choice of Saginaw, Inc.* (the “Organization”) conform to generally accepted accounting principles. Following is a summary of the significant policies.

#### **Nature of Organization**

The Organization operates in Saginaw, Michigan and exists primarily to support adults with disabilities whom it is recognized often exist with severely limited personal resources, impacting their quality of life in the community.

#### **Financial Statement Presentation**

##### *Method of Accounting*

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting in conformity with U.S. generally accepted accounting principles.

##### *Net Assets*

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

##### *Unrestricted Net Assets*

Unrestricted net assets are available to support the Organization’s operating fund. At December 31, 2009, the Organization had \$3,208 in unrestricted net assets.

##### *Temporarily Restricted Net Assets*

These assets are limited to uses specified by donor-imposed restrictions. When donor restrictions expire or the nature and 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. At December 31, 2009, the Organization had no balance in temporarily restricted net assets.

##### *Permanently Restricted Net Assets*

Permanently restricted net assets have been stipulated by the donor that the principal is to be maintained intact and invested for the purpose of producing income which may be expended to support the Organization’s operations. At December 31, 2009, the Organization did not hold permanently restricted net assets.

##### *Deposits and Investments*

The Organization’s cash and cash equivalents are considered to be cash on hand and a checking account balance held at a local financial institution.

# First Choice of Saginaw, Inc.

## Notes to Financial Statements

For the Year Ended December 31, 2009

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### *Contributions*

All contributions are considered available for unrestricted use, unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as 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 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.

### *Income Taxes*

**First Choice of Saginaw, Inc.** is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

### **NOTE 2 – Net Assets**

At December 31, 2009, unrestricted net assets amounted to \$3,208.

### **NOTE 3 – Donated Prizes and Services**

The Organization receives donated auction items and prizes from many individuals and organizations. Since the fair market value of these items is undeterminable, they have not been recorded in the financial statements. There were no donated services, which meet the disclosure requirements for the financial statements.

### **NOTE 4 – Concentration of Credit Risk**

Cash deposits are held in a single financial institution and are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The bank balance of the Organization's deposits at December 31, 2009 was \$3,228. The entire balance of the Organization's deposits was insured by the FDIC at December 31, 2009.

### **NOTE 5 – Fundraising Revenue**

Fundraising expenses of \$213 generated \$10,827 in fundraising revenue for the year ended December 31, 2009.

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