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To the Board of Directors
Emergency Infant Services, Inc.
Tulsa, Oklahoma

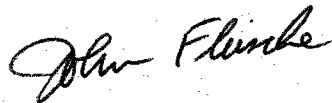
INDEPENDENT AUDITORS' REPORT

I have audited the accompanying statement of assets, liabilities and net assets – modified cash basis of EMERGENCY INFANT SERVICES, INC. (a nonprofit corporation) as of June 30, 2008 and 2007, and the related statement of support, revenue and expenses – modified cash basis, for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

As described in Note A, this financial statement has been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above presents fairly, in all material respects, the assets, liabilities and net assets of Emergency Infant Services, Inc., as of June 30, 2008 and 2007, and its support, revenue and expenses for the years then ended, on the basis of accounting described in Note A.



Tulsa, Oklahoma
November 16, 2008

EMERGENCY INFANT SERVICES, INC.

Statement of Assets, Liabilities and Net Assets (Modified Cash Basis)
June 30, 2008 and 2007

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 286,257	\$ 175,183
Certificates of Deposit	-	225,314
Marketable securities	27,056	24,166
Utility deposits	2,161	834
Property and equipment – net	597,152	17,184
Deferred assets – building	-	6,210
Total Assets	\$ 912,626	448,891
 LIABILITIES		
Payroll taxes & related liabilities	4,976	4,525
Total Liabilities	4,976	4,525
 NET ASSETS		
Unrestricted	842,171	192,340
Temporary restricted	65,479	252,026
Permanently restricted	-	-
Total Net Assets	907,650	444,366
 Total Liabilities & Net Assets	<u>\$ 912,626</u>	<u>\$ 448,891</u>

See accompanying notes to financial statements.

EMERGENCY INFANT SERVICES, INC.

Statement of Support, Revenue and Expenses (Modified Cash Basis) cont'd
For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions:		
Food, formula, clothing and equipment	\$ 120,192	\$ 118,692
Salaries and related taxes	-	35,000
Equipment purchases	-	2,873
Capital campaign	304,189	170,139
Endowment fund	2,889	14,466
Other	28,351	-
Net Assets released from restrictions	<u>(642,169)</u>	<u>(135,893)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(186,547)	205,277
INCREASE IN NET ASSETS	463,284	200,370
NET ASSETS AT BEGINNING OF YEAR	444,366	243,996
NET ASSETS AT END OF YEAR	<u>\$ 907,650</u>	<u>\$ 444,366</u>

See accompanying notes to financial statements.

EMERGENCY INFANT SERVICES, INC.

Notes to Financial Statements

(A) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES - Emergency Infant Services, Inc. (the "Corporation") is a not-for-profit corporation formed to meet the needs of infants and small children whose families are in crisis or emergency situations. The Corporation raises substantially all of its revenue from churches, charitable foundations, individuals, one major fund-raiser, and other organizations in the Tulsa, Oklahoma area. Financial records are maintained on the modified cash basis of accounting, a basis of accounting other than generally accepted accounting principles. Revenue includes only cash receipts and does not include pledges. Expenses include cash expenses and accrued payroll tax expense. Expenses exclude any other accrued expenses.

CONTRIBUTED GOODS AND SERVICES - In-kind goods represent the value of food, clothing, and equipment donated for program services. In-kind goods and services do not meet the criteria for inclusion in the financial statements. In-kind goods contributions for the years ended June 30, 2008 and 2007, are estimated to exceed \$151,000 and \$131,000 respectively. Volunteer service hours are estimated to exceed 8,000 hours.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

FINANCIAL STATEMENT PRESENTATION - The Organization is required 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.

REVENUE AND EXPENSE RECOGNITION - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. There are currently no permanently restricted assets. Contributions are recorded when received by the Corporation and expenses are recorded when paid.

INCOME TAXES - The Corporation is organized as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and, as such, is required to file an information return with the Internal Revenue Service. Since the Corporation has no unrelated business income (as defined by the Code), it pays no income taxes.

EMERGENCY INFANT SERVICES, INC.

Notes to Financial Statements (Continued)

- (B) NET ASSETS - At June 30, 2008, there were no permanently restricted net assets. Temporarily restricted net assets were as follows:

	2007	Additions	Expense	2008
Capital Campaign	\$ 170,138	304,189	474,327	\$ -
Formula	-	71,000	71,000	-
Salaries for Program Director	30,625	-	30,625	-
Cribs & Car Seats	26,592	40,000	35,556	31,036
Tulsa Community Foundation	24,166	2,890*	-	27,056
FEMA	-	9,192	9,192	-
NPR	-	11,700	9,100	2,600
Other	505	16,651	9,642	7,387
Total	\$ 252,026	455,622	642,169	\$ 65,479

* Change in market value.

- (C) CASH AND INVESTMENTS - The cash and investment balances at June 30, 2008 are composed of:

Checking & Money Market* - Bank of Oklahoma, Tulsa, OK	\$ 286,207
Petty Cash	50
Total cash and cash equivalents	286,257

Marketable Securities – Bank of Oklahoma, Tulsa, OK** \$ 27,056

* Money market accounts are not FDIC insured.

** The Marketable Securities fund is recorded at fair value.

EMERGENCY INFANT SERVICES, INC.

Notes to Financial Statements (Continued)

- (D) PROPERTY AND EQUIPMENT – Property and equipment consists of the following:

	<u>2007</u>	<u>2008</u>
Building	\$ 6,210	\$ 550,000
Building Improvements	-	32,875
Furniture and Equipment	<u>27,175</u>	<u>44,526</u>
Total Property and Equipment	33,385	627,402
Accumulated Depreciation	<u>(9,991)</u>	<u>(30,250)</u>
Net Property and Equipment	\$ 23,394	\$ 597,152

During the current year, Emergency Infant Services, purchased and completely paid for a new building to be used exclusively for its charitable purposes. The building, which was made possible through the generous donations of time and money from many Tulsa area Foundations, Churches, and Individuals, is ideally located next to other Tulsa area social service agencies.

- (E) FEDERAL FINANCIAL ASSISTANCE – The organization was awarded \$9,192 during the year ended June 30, 2008 from the Federal Emergency Management Association (FEMA) for purchase of infant formula. These funds were utilized for their designated purpose during the current year.
- (F) SUBSEQUENT EVENT– During September, 2008 the mission of Emergency Infant Services, as provider of unconditional support for young and needy children, was boosted through the generous donation of \$337,230 from the Mary Louise Smith Estate.