

EMERGENCY INFANT SERVICES, INC.

Financial Statements
with Independent Auditor's Report
(Modified Cash Basis)

For the Fiscal Years Ended June 30, 2010 and 2009

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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, 2010 and 2009, 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 these financial statements 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, 2010 and 2009, and its support, revenue and expenses for the years then ended, on the basis of accounting described in Note A.



Tulsa, Oklahoma
December 28, 2010

EMERGENCY INFANT SERVICES, INC.

Statement of Assets, Liabilities and Net Assets (Modified Cash Basis)
June 30, 2010 and 2009

ASSETS	2010	2009
Cash - Operating Account	\$ 231,996	159,036
Cash - Repair & Maintenance Account	30,196	63,675
Cash Equivalents	466,853	452,745
Marketable securities	221,581	113,668
Property and equipment – net	661,850	585,964
Utility deposits	2,161	2,161
Other assets	240	310
Total Assets	1,614,877	1,377,559
LIABILITIES		
Payroll taxes & related liabilities	848	5,919
Total Liabilities	848	5,919
NET ASSETS		
Unrestricted	986,027	898,959
Temporary restricted	628,002	472,682
Permanently restricted	-	-
Total Net Assets	1,614,029	1,371,641
Total Liabilities & Net Assets	\$ 1,614,877	1,377,559

See accompanying notes to financial statements.

EMERGENCY INFANT SERVICES, INC.

Statement of Support, Revenue and Expenses (Modified Cash Basis)
For the Years Ended June 30, 2010 and 2009

	2010	2009
UNRESTRICTED NET ASSETS		
Unrestricted revenues and gains:		
Contributions in cash	\$ 557,647	523,882
Fundraising activities	184,325	120,236
Investment return	5,717	7,414
	<hr/>	<hr/>
Total unrestricted revenues and gains	747,689	651,532
Net Assets released from restrictions	336,370	175,530
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Total Unrestricted revenues, gains, and other support	1,084,059	827,061
Expenses:		
Program service expenses:		
Food, formula, clothing & equipment	354,406	334,423
Salaries and related taxes	256,017	208,736
Office and occupancy	38,763	28,049
Total program service expenses	649,186	571,208
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General and administrative expenses:		
Salaries and related taxes	63,328	56,940
Office and occupancy	80,493	91,045
Fundraising expenses	44,740	44,602
Service and professional fees	9,243	6,478
Travel	-	-
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Total general and administrative expenses	197,804	199,065
Total expenses	846,991	770,273
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INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ 237,068	56,788
Board designated transfer to restricted net assets	(150,000)	-
NET INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ 87,068	-

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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions:		
Food, formula, clothing and equipment	\$ 208,777	476,193
Salaries and related taxes	-	15,500
Equipment purchases	25,000	4,427
Capital campaign	-	-
Endowment fund	107,913	86,613
Board Designated	150,000	-
Net Assets released from restrictions	<u>(336,370)</u>	<u>(175,530)</u>
 INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	 <u>155,321</u>	 <u>407,203</u>
 INCREASE IN NET ASSETS	 242,389	 463,991
 NET ASSETS AT BEGINNING OF YEAR	 <u>1,371,640</u>	 <u>907,650</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,614,029</u>	<u>1,371,640</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, 2010 and 2009 are estimated to exceed \$530,000 and \$308,000 respectively. Volunteer service hours are estimated to exceed 9,100 and 8,000 hours respectively.

ESTIMATES – The preparation of financial statements requires management to make estimates, assumptions, and allocations 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.

EMERGENCY INFANT SERVICES, INC.

Notes to Financial Statements (Continued)

INCOME TAXES - The Project is a nonprofit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code. The Project is not a private foundation within the meaning of Section 509 (a) of the Internal Revenue Code. As a result, no provision for current or deferred income tax liability is recognized in the Project's books or records. The Project does not believe that it has engaged in any activity that would result in an uncertain tax position. As a result, management does not believe that any uncertain tax position currently exists and no loss contingency had been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the Project has no open examination with either the Internal Revenue Service or state taxing authorities.

(B) NET ASSETS - At June 30, 2010, there were no permanently restricted net assets. The balances in temporarily restricted net assets are as follows:

	2009	Additions	Expense	Transfers	2010
Bernsen	\$ 1,159	\$ -	\$ 1,159	\$ -	\$ -
Building Maint	63,675	3,000	25,000	-	41,675
Capital Campaign	-	-	-	-	-
Client Services	47,487	-	10,002	61,230	98,714
Crib/Car Seat	21,002	63,500	40,640	(2,384)	41,479
FEMA	7,500	28,572	36,072	-	-
Formula	45,000	131,100	151,000	-	25,100
FPC Herbert	-	1,350	1,350	-	-
Kaiser/TCF	12,332	63,500	68,585	-	7,246
Mary Smith Fund	157,230	-	-	(157,230)	-
Nadel	-	-	-	-	-
NPR	-	-	-	-	-
Shusterman Lights	17	-	-	(17)	-
TCF	113,668	47,913	-	60,000	221,581
Strategic Board Dev	-	-	-	150,000	150,000
Non Referral Crib & Car	-	-	-	36,000	36,000
Other	3,612	2,756	2,561	2,400	6,206
Total	\$ 472,682	\$ 341,690	\$ 336,370	\$ 150,000	\$ 628,002

EMERGENCY INFANT SERVICES, INC.

Notes to Financial Statements (Continued)

- (C) CASH and INVESTMENTS - The cash and investment balances at June 30, 2010 are composed of:

Checking, (Bank of Oklahoma, Tulsa, OK)	\$ 231,835
Petty Cash	160
Savings – Repair and Maintenance, (BOK, Tulsa, OK)	30,196
Marketable securities * TCF (BOK, Tulsa, OK)	221,581
Cash Equivalent ** (BOSC, Inc., Tulsa, OK)	466,853
Total	\$ 950,625

These balances include \$628,002 in restricted funds.

* Marketable securities are not insured against changes in market value. The funds experienced an increase in market value of \$18,913 during the year.

** Includes \$427,653 in a money market account. The remaining \$39,200 is in certificates of deposit.

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

	2010	2009
Building	\$ 550,000	550,000
Building Improvements	127,104	38,620
Furniture and Equipment	68,244	51,654
Total Property and Equipment	745,348	640,274
Accumulated Depreciation	(83,498)	(54,310)
Net Property and Equipment	\$ 661,850	585,964

Office equipment and furniture are depreciated for 5-7 years, land improvements for 15 years and Building for 39 years.

Current year additions included \$14,400 for computer database software, \$2,199 for office equipment and \$88,484 for a retaining wall.

- (E) FEDERAL FINANCIAL ASSISTANCE – The organization was awarded \$28,572 during the year ended June 30, 2010 from the Federal Emergency Management Association (FEMA) for purchase of infant formula. These funds were utilized for their designated purpose during the respective year. There was no balance at year end.