

**ALTERNATIVES IN MOTION**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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June 6, 2000

Board of Directors  
Alternatives in Motion  
1916 Breton Road SE  
Grand Rapids, MI 49506

Independent Auditor's Report

We have audited the accompanying statement of financial position of Alternatives in Motion (a nonprofit organization) as of December 31, 1999 and 1998, the related statements of activities and functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Alternatives in Motion's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards. 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 audits provide 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 Alternatives in Motion as of December 31, 1999 and 1998 and the results of its operations and its changes in fund balances for the years then ended in conformity with generally accepted accounting principles.

Hendon & Slate, P.C.  
Certified Public Accountants

## ALTERNATIVES IN MOTION

### Comparative Statement of Financial Position December 31, 1999 and 1998

	<u>12/31/99</u>	<u>12/31/98</u>
<u>Assets</u>		
Cash	\$ 38,119	\$ 86,965
Investments	24,086	-
Advances	1,795	1,795
Promises to Give	25,000	25,000
Inventory	<u>21,420</u>	<u>44,547</u>
Total Current Assets	110,420	158,307
Property and Equipment		
Equipment	47,342	44,993
Leasehold Improvements	<u>7,074</u>	<u>7,074</u>
Total Property and Equipment	54,416	52,067
Less: Accumulated Depreciation	<u>(25,237)</u>	<u>(14,108)</u>
Net Property and Equipment	29,179	37,959
Other Non-Current Assets		
Promises to Give	<u>50,000</u>	<u>-</u>
Total Assets	<u>\$ 189,599</u>	<u>\$ 196,266</u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts Payable	\$ 22,563	\$ -
Accrued Payroll Taxes	<u>4,151</u>	<u>6,442</u>
Total Current Liabilities	26,714	6,442
Net Assets - Restricted	<u>162,885</u>	<u>189,824</u>
Total Liabilities and Net Assets	<u>\$ 189,599</u>	<u>\$ 196,266</u>

See Accompanying Notes to Financial Statements

## ALTERNATIVES IN MOTION

### Comparative Statement of Activities and Functional Expenses For the Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>UNRESTRICTED NET ASSETS</b>		
Net Assets Released from Restrictions	\$ 395,323	\$ 198,571
<b>Expenses</b>		
Program Expenses		
Chairs	270,754	102,077
Salaries	30,050	28,000
Payroll Taxes	2,221	2,142
Health Insurance	2,178	1,840
Management and General		
Salaries	43,155	28,000
Payroll Taxes	3,195	2,142
Health Insurance	2,177	1,840
Office Supplies and Postage	2,159	1,621
Computer Expense	2,287	1,484
Office Rent	8,268	8,034
Other Professional Services	2,435	2,835
Utilities and Phone	2,635	2,572
Insurance	408	308
Dues and Subscriptions	-	175
Repairs and Maintenance	950	-
Travel	272	2,763
Advertising	-	565
Depreciation	11,129	8,330
Miscellaneous	1,018	878
Fund Raising	<u>10,032</u>	<u>2,965</u>
 Total Expenses	 <u>395,323</u>	 <u>198,571</u>
 Increase (Decrease) in Unrestricted Net Assets	 -	 -
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
<b>Support and Revenue</b>		
Donations		
Cash	208,331	199,170
In-Kind	157,961	109,952
Interest Income	<u>2,092</u>	<u>266</u>
 Total Temporarily Restricted Support and Revenue	 368,384	 309,388
 Net Assets Released from Restrictions	 <u>395,323</u>	 <u>(198,571)</u>
 Increase (Decrease) in Temporarily Restricted Assets	 <u>(26,939)</u>	 <u>110,817</u>
 Increase (Decrease) in Net Assets	 (26,939)	 110,817
Net Assets at Beginning of Year	<u>189,824</u>	<u>79,007</u>
 Net Assets at End of Year	 <u>\$ 162,885</u>	 <u>\$ 189,824</u>

See Accompanying Notes to Financial Statements

## ALTERNATIVES IN MOTION

### Statement of Cash Flows For the Year Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Assets	\$ (26,939)	\$ 110,817
Adjustments to Reconcile the Increase in Assets to Net Cash Flows from Operating Activities		
Increase in Advances	-	(1,520)
Increase in Investments	(24,086)	-
Depreciation	11,129	8,330
(Increase)Decrease in Promises to Give	(50,000)	25,000
Decrease (Increase) in Inventory	23,127	(33,297)
Increase(Decrease) in Accounts Payable	22,563	(13,140)
Increase(Decrease) in Accrued Payroll Taxes	<u>(2,291)</u>	<u>5,650</u>
Total Adjustments	<u>19,558</u>	<u>(8,977)</u>
Net Cash Provided(Used) by Operating Activities	(22,411)	101,840
Cash Flows from Investing Activities		
Purchase of Equipment	<u>(2,349)</u>	<u>(20,473)</u>
Net Increase(Decrease) in Cash	(24,760)	81,367
Beginning Cash Balance	<u>86,965</u>	<u>5,598</u>
Ending Cash Balance	<u>\$ 38,119</u>	<u>\$ 86,965</u>

See Accompanying Notes to Financial Statements

## ALTERNATIVES IN MOTION

Notes to the Financial Statements  
December 31, 1999

### NOTE A DESCRIPTION OF AGENCY

The mission of Alternatives in Motion is to provide wheelchairs to individuals who would not otherwise qualify for assistance and who could not otherwise obtain such equipment without financial aid.

The organization focuses on new and individually fitted wheelchairs and specialized equipment, such as seating systems for wheelchairs, and other mobility related items.

In 1999 and 1998, the organization provided ninety-two and thirty-seven wheelchairs, respectively, to individuals.

### NOTE B SIGNIFICANT ACCOUNTING POLICIES

Alternatives in Motion is a non-profit corporation exempt from income tax under Section 501 (c)(3) of the U.S. Internal Revenue Code. The organization files IRS Form 990 under Federal ID #38-3133483.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117 *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, Alternatives in Motion 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.

Basis of Accounting - The financial statements of Alternatives in Motion have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Inventories - Inventories are recorded at the estimated fair market value at the date of donation.

Investments - Alternatives in Motion carries investments in marketable securities at their fair values in the statement of financial position. If unrealized gains or losses occurred, they would be included in the change in net assets in the accompanying statement of activities and functional expenses.

## Notes to the Financial Statements (Continued)

Restricted and Unrestricted Revenue and Support - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when some stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

### NOTE C DEPOSITS

Alternatives in Motion's unrestricted deposits totaled \$38,119 on December 31, 1999 and \$86,965 on December 31, 1998. These deposits were held in Alternatives in Motion's name and were fully covered by federal depository insurance.

### NOTE D PROMISES TO GIVE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decrease of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Alternatives in Motion has an unconditional promise to give from the Dogwood Foundation in the amount of \$75,000 which is to be received in \$25,000 installments over the next three years.

### NOTE E DONATED PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

## Notes to the Financial Statements (Continued)

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

### NOTE F PROGRAM EXPENSES

In addition to the retail value of the chairs provided to individuals, 50% of executive salaries, payroll taxes, and health insurance is considered to be direct program expenses.

### NOTE G CASH FLOW INFORMATION

Alternatives in Motion had noncash transactions of \$8,268 for donated rent and \$149,693 in donated wheelchairs, parts, and supplies. These items were reported in the statement of activities and functional expenses as In-Kind Donations with a corresponding expense also recorded. There was no interest or federal income tax paid or accrued in either fiscal year.

For purposes of reporting cash flows, cash includes demand deposits with banks or financial institutions, on-hand currency, and other kinds of accounts that have the general characteristics of demand deposits. Cash equivalents include short-term investments with original maturities of three months or less.