

**ALTERNATIVES IN MOTION**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

## TABLE OF CONTENTS

### AUDITED FINANCIAL STATEMENTS

|   |       |
|---|-------|
| Independent Auditor's Report .....                                | 1     |
| Comparative Statement of Financial Position .....                 | 2     |
| Comparative Statement of Activities and Functional Expenses ..... | 3     |
| Statement of Cash Flows .....                                     | 4     |
| Notes to the Financial Statements .....                           | 5 - 7 |

### GRAPHS

|                                      |    |
|--------------------------------------|----|
| Expenses .....                       | 8  |
| Donations .....                      | 9  |
| Number of Individuals Assisted ..... | 10 |

February 12, 2001

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, 2000 and 1999, 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, 2000 and 1999 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, 2000 and 1999

|                                   | <u>12/31/00</u>   | <u>12/31/99</u>   |
|-----------------------------------|-------------------|-------------------|
| <u>Assets</u>                     |                   |                   |
| Cash                              | \$ 42,088         | \$ 38,119         |
| Investments                       | -                 | 24,086            |
| Advances                          | 1,795             | 1,795             |
| Promises to Give                  | 25,000            | 25,000            |
| Inventory                         | <u>18,426</u>     | <u>21,420</u>     |
| Total Current Assets              | 87,309            | 110,420           |
| Property and Equipment            |                   |                   |
| Equipment                         | 47,971            | 47,342            |
| Leasehold Improvements            | <u>7,074</u>      | <u>7,074</u>      |
| Total Property and Equipment      | 55,045            | 54,416            |
| Less: Accumulated Depreciation    | <u>(34,090)</u>   | <u>(25,237)</u>   |
| Net Property and Equipment        | 20,955            | 29,179            |
| Other Non-Current Assets          |                   |                   |
| Promises to Give                  | <u>25,000</u>     | <u>50,000</u>     |
| Total Assets                      | <u>\$ 133,264</u> | <u>\$ 189,599</u> |
| <u>Liabilities and Net Assets</u> |                   |                   |
| Liabilities                       |                   |                   |
| Accounts Payable                  | \$ 6,716          | \$ 22,563         |
| Accrued Payroll Taxes             | <u>3,883</u>      | <u>4,151</u>      |
| Total Current Liabilities         | 10,599            | 26,714            |
| Net Assets - Restricted           | <u>122,665</u>    | <u>162,885</u>    |
| Total Liabilities and Net Assets  | <u>\$ 133,264</u> | <u>\$ 189,599</u> |

See Accompanying Notes to Financial Statements

## ALTERNATIVES IN MOTION

### Comparative Statement of Activities and Functional Expenses For the Years Ended December 31, 2000 and 1999

|  | <u>2000</u>           | <u>1999</u>           |
|--|-----------------------|-----------------------|
| <b>UNRESTRICTED NET ASSETS</b>                           |                       |                       |
| Net Assets Released from Restrictions                    | \$ 423,554            | \$ 395,323            |
| <b>Expenses</b>  |                       |                       |
| Program Expenses   |                       |                       |
| Chairs   | 281,816               | 270,754               |
| Salaries   | 35,000                | 30,050                |
| Payroll Taxes  | 2,886                 | 2,221                 |
| Health Insurance   | 2,640                 | 2,178                 |
| Management and General                                   |                       |                       |
| Salaries   | 56,800                | 43,155                |
| Payroll Taxes  | 4,708                 | 3,195                 |
| Health Insurance   | 2,640                 | 2,177                 |
| Office Supplies and Postage                              | 2,741                 | 2,159                 |
| Computer Expense   | 2,710                 | 2,287                 |
| Office Rent  | 9,095                 | 8,268                 |
| Other Professional Services                              | 4,130                 | 2,435                 |
| Utilities and Phone                                      | 2,121                 | 2,635                 |
| Insurance  | 350                   | 408                   |
| Dues and Subscriptions                                   | 152                   | -                     |
| Repairs and Maintenance                                  | 300                   | 950                   |
| Travel   | 729                   | 272                   |
| Advertising  | 175                   | -                     |
| Depreciation   | 8,853                 | 11,129                |
| Miscellaneous  | 1,789                 | 1,018                 |
| Fund Raising   | <u>3,919</u>          | <u>10,032</u>         |
| <br>Total Expenses                                       | <br><u>423,554</u>    | <br><u>395,323</u>    |
| <br>Increase (Decrease) in Unrestricted Net Assets       | <br>-                 | <br>-                 |
| <b>TEMPORARILY RESTRICTED NET ASSETS</b>                 |                       |                       |
| <b>Support and Revenue</b>                               |                       |                       |
| Donations  |                       |                       |
| Cash   | 207,673               | 208,331               |
| In-Kind  | 170,820               | 157,961               |
| Gain from Sale of Investments                            | 3,326                 | -                     |
| Interest Income  | <u>1,515</u>          | <u>2,092</u>          |
| <br>Total Temporarily Restricted Support and Revenue     | <br>383,334           | <br>368,384           |
| <br>Net Assets Released from Restrictions                | <br><u>(423,554)</u>  | <br><u>(395,323)</u>  |
| <br>Increase (Decrease) in Temporarily Restricted Assets | <br><u>(40,220)</u>   | <br><u>(26,939)</u>   |
| <br>Increase (Decrease) in Net Assets                    | <br>(40,220)          | <br>(26,939)          |
| Net Assets at Beginning of Year                          | <u>162,885</u>        | <u>189,824</u>        |
| <br>Net Assets at End of Year                            | <br><u>\$ 122,665</u> | <br><u>\$ 162,885</u> |

See Accompanying Notes to Financial Statements

## ALTERNATIVES IN MOTION

### Statement of Cash Flows For the Year Ended December 31, 2000 and 1999

|  | <u>2000</u>      | <u>1999</u>      |
|--|------------------|------------------|
| Cash Flows from Operating Activities   |                  |                  |
| Increase (Decrease) in Assets  | \$ (40,220)      | \$ (26,939)      |
| Adjustments to Reconcile the Increase in Assets to<br>Net Cash Flows from Operating Activities |                  |                  |
| (Increase)Decrease in Investments  | 24,086           | (24,086)         |
| Depreciation   | 8,853            | 11,129           |
| (Increase)Decrease in Promises to Give   | 25,000           | (50,000)         |
| Decrease in Inventory  | 2,994            | 23,127           |
| Increase(Decrease) in Accounts Payable   | (15,847)         | 22,563           |
| (Decrease) in Accrued Payroll Taxes  | <u>(268)</u>     | <u>(2,291)</u>   |
| Total Adjustments  | <u>44,818</u>    | <u>(19,558)</u>  |
| Net Cash Provided(Used) by Operating Activities  | 4,598            | (46,497)         |
| Cash Flows from Investing Activities   |                  |                  |
| Purchase of Equipment  | <u>(629)</u>     | <u>(2,349)</u>   |
| Net Increase(Decrease) in Cash   | 3,969            | (48,846)         |
| Beginning Cash Balance   | <u>38,119</u>    | <u>86,965</u>    |
| Ending Cash Balance  | <u>\$ 42,088</u> | <u>\$ 38,119</u> |

See Accompanying Notes to Financial Statements

## ALTERNATIVES IN MOTION

Notes to the Financial Statements  
December 31, 2000

### 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 2000 and 1999, the organization provided assistance to one hundred eight and ninety-two individuals, respectively.

### 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 \$12,663 on December 31, 2000 and \$38,119 on December 31, 1999. They also had \$29,425 in deposits restricted for remodeling on December 31, 2000. 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 \$50,000 which is to be received in \$25,000 installments over the next two 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 \$9,095 for donated rent, \$143,661 in donated wheelchairs, parts, and supplies, \$307 in donated travel, and \$300 in donated repairs and maintenance. 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.