

FAMILIES FIRST, INC.  
FINANCIAL STATEMENTS  
June 30, 2009

FAMILIES FIRST, INC.  
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**TERRAY SUGGS, P.A.**  
CERTIFIED PUBLIC ACCOUNTANT & TAX CONSULTANTS  
609 S. FRANKLIN STREET  
WHITEVILLE, NORTH CAROLINA 28472  
PHONE: 910-641-0105  
Fax: 910-642-9254

To the Board of Directors  
Families First, Inc.

We have compiled the accompanying statement of financial position of Families First, Inc. (a nonprofit organization) as of June 30, 2009, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters

We are not independent with respect to Families First, Inc.

Terray Suggs, P.A.

February 15, 2010

FAMILIES FIRST, INC.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2009

	<u>2009</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 127,005
Accounts receivable	7,928
Grants receivable	6,263
Inventory	<u>1,790</u>
TOTAL CURRENT ASSETS	142,986
 PROPERTY AND EQUIPMENT	 <u>66,361</u>
TOTAL ASSETS	 <u>\$ 209,348</u>
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accrued benefits	\$ 16,357
Payroll Liabilities	<u>1,481</u>
TOTAL CURRENT LIABILITIES	17,838
 NET ASSETS	
Unrestricted	 <u>191,510</u>
TOTAL LIABILITES AND NET ASSETS	 <u>\$ 209,348</u>

FAMILIES FIRST, INC.  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2009

	2009
UNRESTRCITED NET ASSETS	-
Unrestricted revenues	
Contributions	\$ 29,096
Fundraising	36,153
Interest	259
TOTAL UNRESTRCTED REVENUES	65,508
Net assets released from restrictions	323,495
TOTAL REVENUES AND SUPPORT	389,002
Expenses	
Program Services	
Director compensation	45,291
Other salaries and wages	166,343
Pension plan contributions	3,548
Other employee benefits	16,245
Payroll taxes	21,113
Accounting fees	2,338
Supplies	1,723
Telephone	8,948
Postage	257
Occupancy	6,753
Travel	3,260
Conferences, meetings	572
Depreciation	1,833
Other expenses	28,475
Supporting Services	
Director compensation	7,993
Other salaries and wages	29,355
Pension plan contributions	626
Other employee benefits	2,867
Payroll taxes	3,726
Accounting fees	585
Supplies	1,148
Telephone	1,579
Postage	2,310
Occupancy	355
Equipment rental and maintenance	678
Depreciation	2,115
Other expenses	8,865
TOTAL EXPENSES	368,899
INCREASE IN UNRESTRICTED NET ASSETS	20,103
TEMPORARILY RESTRICTED NET ASSETS	
State Financial Assistance	323,495
Net assets released from grantor's restrictions	(323,495)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	-
INCREASE IN NET ASSETS	20,103
NET ASSETS AT BEGINNING OF YEAR	171,407
NET ASSETS AT END OF YEAR	\$ 191,510

See accountant's compilation report.

FAMILIES FIRST, INC.  
STATEMENT OF CASH FLOWS  
Year Ended June 30, 2009

	2009
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase/(decrease) in net assets	\$ 20,103
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	3,948
(Increase) decrease in operating assets	
Accounts receivable	(3,867)
Grants receivable	(6,263)
Increase (decrease) in operating liabilities	
Accrued benefits	1,492
Payroll liabilities	1,627
NET CASH PROVIDED BY OPERATING ACTIVITIES	17,039
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(27,333)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,293)
BEGINNING CASH AND CASH EQUIVALENTS	137,298
ENDING CASH AND CASH EQUIVALENTS	\$ 127,005

FAMILIES FIRST, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Families First Inc. is a nonprofit organization. The Organization serves as domestic violence shelter, which provides temporary housing and counsel for victims and children of domestic violence. The Organization is supported primarily through donor contributions and grants.

Basis of Accounting

The financial records are maintained and the financial statements are presented on the accrual basis of accounting, which means that income is recognized as it is earned and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time.

Contributed Services

During the year ended June 30, 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, several individuals volunteer their time and perform a variety of tasks that assist the Organization at both the shelter and thrift stores, but these services do not meet the criteria for recognition as contributed services. The Organization typically benefits from more than 500 volunteer hours per year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions 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. 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. Property and equipment are depreciated using the straight line method.

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. As permitted by the statement, the Organization does not use fund accounting.

## FAMILIES FIRST, INC. – NOTES TO FINANCIAL STATEMENTS

### Contributions

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

### Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Support and Revenues

Certain revenues received through government grant programs are subject to audit by the providing agency. Certain grants received during the year are solely for the purpose to reimburse the Organization for expenses incurred in their program. Absent of these grants, the Organization would have to bear all of the expenses itself.

### NOTE B – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2009, Families First, Inc. had no material related party transactions.

### NOTE F – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were expended during the current period.