

**St. Vincent and Sarah Fisher Center**

**Financial Statements**

**Year Ended December 31, 2009**

**With Comparative Totals for  
Year Ended December 31, 2008**

# COLE, NEWTON & DURAN

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
St. Vincent and Sarah Fisher Center  
Detroit, Michigan

We have audited the accompanying statement of financial position of St. Vincent and Sarah Fisher Center as of December 31, 2009, and the related statements of activities and changes in net assets and functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides 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 St. Vincent and Sarah Fisher Center as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

COLE, NEWTON & DURAN



June 16, 2010

# St. Vincent and Sarah Fisher Center

## Statement of Financial Position

December 31, 2009 and 2008

### ASSETS

	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 378,237	\$ 274,112
Prepaid expenses and other	53,648	112,721
<b>TOTAL CURRENT ASSETS</b>	<u>431,885</u>	<u>386,833</u>
<b>FURNITURE AND EQUIPMENT-</b> net of accumulated depreciation	<u>4,628</u>	<u>14,182</u>
<b>OTHER ASSETS</b>		
Investments	7,650,992	6,484,867
Investments designated to purchase buildings and equipment	<u>69,150</u>	<u>57,596</u>
<b>TOTAL OTHER ASSETS</b>	<u>7,720,142</u>	<u>6,542,463</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 8,156,655</u></u>	<u><u>\$ 6,943,478</u></u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 23,727	\$ 10,819
Accrued expenses	38,623	33,536
Deferred revenue	<u>2,573</u>	<u>3,123</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>64,923</u>	<u>47,478</u>
<b>NET ASSETS</b>		
Unrestricted	6,040,774	4,480,948
Temporarily restricted	109,469	114,117
Permanently restricted	<u>1,941,489</u>	<u>2,300,935</u>
<b>TOTAL NET ASSETS</b>	<u>8,091,732</u>	<u>6,896,000</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 8,156,655</u></u>	<u><u>\$ 6,943,478</u></u>

See Accompanying Notes to Financial Statements.

# St. Vincent and Sarah Fisher Center

## Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2009

With Comparative Totals for the Year Ended December 31, 2008

	2009			Total	2008
	Unrestricted	Temporarily Restricted	Permanently Restricted		Totals
<b>SUPPORT AND REVENUE</b>					
United Way allocation	\$ 12,114	\$ -	\$ -	\$ 12,114	\$ 64,636
Contributions and bequests	118,011	1,175	-	119,186	492,684
Other income	12	-	-	12	3
Subtotal	130,137	1,175	-	131,312	557,323
Net assets released from temporary restrictions	11,389	(11,389)	-	-	-
<b>Total Support and Revenue</b>	<b>141,526</b>	<b>(10,214)</b>	<b>-</b>	<b>131,312</b>	<b>557,323</b>
<b>FUNCTIONAL EXPENSES</b>					
Program	610,104	-	-	610,104	614,391
Management and general	51,137	-	-	51,137	53,818
Fund raising	7,382	-	-	7,382	9,023
<b>Total Expenses</b>	<b>668,623</b>	<b>-</b>	<b>-</b>	<b>668,623</b>	<b>677,232</b>
<b>Change in net assets from operations</b>	<b>(527,097)</b>	<b>(10,214)</b>	<b>-</b>	<b>(537,311)</b>	<b>(119,909)</b>
Investment income	1,727,477	5,566	-	1,733,043	(1,447,098)
Change in accounting estimate (Note J)	-	-	-	-	372,882
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>1,200,380</b>	<b>(4,648)</b>	<b>-</b>	<b>1,195,732</b>	<b>(1,194,125)</b>
<b>NET ASSETS-BEGINNING OF YEAR</b>	<b>4,840,394</b>	<b>114,117</b>	<b>1,941,489</b>	<b>6,896,000</b>	<b>8,090,125</b>
<b>NET ASSETS-END OF YEAR</b>	<b>\$ 6,040,774</b>	<b>\$ 109,469</b>	<b>\$ 1,941,489</b>	<b>\$ 8,091,732</b>	<b>\$6,896,000</b>

See Accompanying Notes to Financial Statements.

# St. Vincent and Sarah Fisher Center

## Statement of Functional Expenses

For the Year Ended December 31, 2009

With Comparative Totals for the Year Ended December 31, 2008

	<u>2009</u>				<u>2008</u>
	Family Outreach Programs	Management and General	Fund Raising	Total	Totals
Salaries	\$ 333,599	\$ 19,870	\$ -	\$ 353,469	\$ 348,395
Employee health and retirement benefits	57,209	3,457	-	60,666	48,430
Payroll taxes and workers' compensation	<u>22,145</u>	<u>1,357</u>	<u>-</u>	<u>23,502</u>	<u>24,299</u>
Total salaries and related expenses	412,953	24,684	-	437,637	421,124
Occupancy	122,062	13,562	-	135,624	142,613
Supplies	6,927	816	-	7,743	14,828
Professional fees	23,666	5,807	3,796	33,269	37,606
Local transportation	5,179	-	-	5,179	4,981
Telephone	3,496	388	-	3,884	4,488
Specific assistance to individuals	7,060	-	-	7,060	4,244
Subscriptions and publications	90	3	-	93	-
Conferences, conventions, and meetings	-	-	-	-	2,780
Membership fees	355	10	-	365	365
Postage and shipping	796	1,526	593	2,915	4,157
Outside printing	-	1,929	3,033	4,962	4,207
Bonds and insurance	17,925	1,992	-	19,917	20,127
Miscellaneous	<u>452</u>	<u>10</u>	<u>(40)</u>	<u>422</u>	<u>590</u>
Total before depreciation	600,961	50,727	7,382	659,070	662,110
Depreciation	<u>9,143</u>	<u>410</u>	<u>-</u>	<u>9,553</u>	<u>15,122</u>
<b>TOTAL EXPENSES</b>	<u>\$ 610,104</u>	<u>\$ 51,137</u>	<u>\$ 7,382</u>	<u>\$ 668,623</u>	<u>\$ 677,232</u>

See Accompanying Notes to Financial Statements.

# St. Vincent and Sarah Fisher Center

## Statement of Cash Flows

For the Years Ended December 31, 2009 and 2008

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 1,195,732	\$ (1,194,125)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	9,553	15,122
Decrease (increase) in operating assets:		
Prepaid expenses and other	59,073	1,281
(Decrease) increase in operating liabilities:		
Accounts payable	12,908	(29,042)
Accrued expenses	5,088	(379,180)
Deferred revenue	(550)	(50,585)
Total Adjustments	86,072	(442,404)
<b>Net Cash Provided By (Used In) Operating Activities</b>	1,281,804	(1,636,529)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	-	-
Increase in investments designated to purchase buildings and equipment	(11,554)	(341)
Net purchases and sales of pooled investments	(1,166,125)	574,960
<b>Net Cash Provided By (Used In) Investing Activities</b>	(1,177,679)	574,619
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	104,125	(1,061,910)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	274,112	1,336,022
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 378,237	\$ 274,112
<b>Supplemental Cash Flows Disclosures:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See Accompanying Notes to Financial Statements.

# St. Vincent and Sarah Fisher Center

## Notes to Financial Statements

December 31, 2009 and 2008

### NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

The St. Vincent and Sarah Fisher Center (the Center) is a nonprofit entity whose mission is to provide education and skill development opportunities for at risk children and families in the City of Detroit.

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

#### Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use has been limited by donors to a specific purpose, such as capital additions, or to a specific time period. When a donor restriction is satisfied, temporarily restricted net assets are reclassified as net assets released from restrictions for operating purposes and are included in unrestricted revenue and other support. Pledges are recorded as increases in net assets when the pledge is made.

Permanently restricted net assets have been restricted by donors to be maintained by the Center in perpetuity or for terms restricted by the donor. The major contributor to the endowment (permanently restricted) fund transferred the control of its contribution to the new corporate members effective December 6, 2004. The corporate members passed a resolution to allow for the transfer of these specific dollars from permanently restricted to unrestricted to be used for operational purposes when necessary.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the period. Actual results could differ from those estimates.

#### Accounts Receivable

The Center currently provides all services free of charge. At December 31, 2009 and 2008, there were no amounts receivable.

#### Property and Equipment

Property is stated at fair market value and equipment at cost. All equipment expenditures are capitalized at cost, and donated equipment is recorded at fair market value. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Property and equipment purchased with temporarily restricted funds are released from restriction as depreciation is recognized over the estimated useful lives of the assets. Expenditures for normal repairs and maintenance are charged to expense as incurred.

# St. Vincent and Sarah Fisher Center

## Notes to Financial Statements

December 31, 2009 and 2008

### NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value that is determined based on quoted market prices. Investment income is reported below operating income based on the particular classification of the asset – unrestricted or temporarily restricted. The income earned on the investments that are permanently restricted is recorded in unrestricted net assets.

#### Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donations are recorded at fair value when received. Donor restricted balances are associated with resources contributed by donors, and the Center is obligated to use these funds for purposes designated by them.

In-kind donations of materials are recorded as both contributions and expenditures at fair value when received and aggregated during the years ended December 31, 2009 and 2008 were \$4,955 and \$4,879, respectively.

The Center, on occasion, is the beneficiary under various wills, the amounts of which cannot be estimated. The Center's share of such bequests is recorded when the proceeds are determinable.

### NOTE B. LEASES

On October 1, 2009, the Center entered into a new lease for its operating facilities in the City of Detroit. The lease is for a one-year agreement. Future minimum payments due in 2010 are \$40,500. The amounts charged to rent during the years ended December 31, 2009 and 2008 were \$54,000 and \$54,000, respectively.

### NOTE C. RETIREMENT PLAN

On January 1, 2001, the Center started a Safe Harbor 401(k) Pension Plan (the 401(k) plan), which covers substantially all employees. The Center matches one half of employee contributions to the 401(k) plan up to 5% of employee wages. The Center also contributes 3% of each participating employee's wages to the Plan. The total contribution charged to expense during the years ended December 31, 2009 and 2008 was \$18,442 and \$15,789, respectively.

The Center remits to the Daughters of Charity retirement payments on behalf of Sisters employed by the Center at a rate equivalent to the payment for lay employees. The cost for this plan was during the years ended December 31, 2009 and 2008 was \$1,086 and \$1,054, respectively.

### NOTE D. CONCENTRATIONS AND CREDIT RISK

The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 in any one financial institution. There were no uninsured balances as of December 31, 2009 and 2008.

# St. Vincent and Sarah Fisher Center

## Notes to Financial Statements

December 31, 2009 and 2008

### NOTE E. FURNITURE AND EQUIPMENT

The following is a summary of furniture and equipment as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Furniture and office equipment	\$30,152	\$32,814
Automotive equipment	<u>43,605</u>	<u>43,605</u>
Total	73,757	76,419
Less accumulated depreciation	<u>69,129</u>	<u>62,237</u>
Net furniture and equipment	<u>\$ 4,628</u>	<u>\$14,182</u>

### NOTE F. FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the program and support services are reported in the statement of functional expenses. Indirect costs have been allocated between the various programs and supporting services based on estimates by management.

### NOTE G. INVESTMENTS

Ascension Health, an organization sponsored in part by the Daughters of Charity, administers the investments that are held in an investment pool together with investments of non-healthcare affiliated Daughters of Charity organizations. The pooled assets are invested in money market instruments, commercial paper, domestic and international equity holdings, and bond funds and are stated at fair value. Ascension Health records interest income within the respective accounts on either a monthly or quarterly basis based upon the type of investment.

Investment Risks – Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values in the near term could materially affect the amounts reported in the accompanying financial statements.

### NOTE H. TAX STATUS

The Center is a nonprofit corporation, exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Internal Revenue Service has classified the Center as an organization that is not a private foundation.

### NOTE I. DONATED SERVICES

A substantial number of volunteers have donated significant amounts of time to the Center's program services and to its fund-raising campaigns. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under the Not for Profit Entities Topic of the FASB Accounting Standards Codification.

# St. Vincent and Sarah Fisher Center

## Notes to Financial Statements

December 31, 2009 and 2008

### NOTE J. CHANGE IN ACCOUNTING ESTIMATES

Due to the decision to close the Center's residential, foster care and adoption programs in 2005, estimates were recorded to accrue for closing expenses. These estimates were revised as actual expenses were incurred. The Center recorded a change in accounting estimate for the year ended December 31, 2008 of \$372,882.

### NOTE K. COMPARATIVE FINANCIAL STATEMENTS

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

### NOTE L. EVENTS OCCURRING AFTER REPORTING DATE

The Center has evaluated events and transactions for potential recognition or disclosure through June 16, 2010, the date that the financial statements were available to be issued.

### NOTE M. RESTATEMENT OF BEGINNING NET ASSETS

During the year ended December 31, 2004, a major donor released the restriction on their gift to the endowment fund. While the principal was released in a prior year, the accumulated income on the gift was not released in prior years' financial statements. Net assets have been restated as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
As originally reported	\$4,480,948	\$ 114,117	\$2,300,935	\$6,896,000
Reclassifications	<u>359,446</u>	<u>-0-</u>	<u>(359,446)</u>	<u>-0-</u>
As re-stated	<u>\$4,840,394</u>	<u>\$ 114,117</u>	<u>\$1,941,489</u>	<u>\$6,896,000</u>