

Volunteer Center of Greater Kalamazoo

Financial Statements
Years Ended June 30, 2008 and 2007

FISHER SPIEGEL KUNKLE & GERBER, P.L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Volunteer Center of Greater Kalamazoo

Financial Statements
Years Ended June 30, 2008 and 2007

Volunteer Center of Greater Kalamazoo

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Report of Independent Accountants

To the Board of Directors
Volunteer Center of Greater Kalamazoo

We have audited the accompanying statement of financial position of Volunteer Center of Greater Kalamazoo (a non-profit organization) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted the audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures within 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 Volunteer Center of Greater Kalamazoo as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Fisher Spiegel Kunkle & Gerber, P.L.L.C.

FISHER SPIEGEL KUNKLE & GERBER, P.L.L.C.

Battle Creek, Michigan
October 22, 2008

Volunteer Center of Greater Kalamazoo

Statement of Financial Position

June 30,	2008	2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 54,840	\$ 33,614
Accounts receivable	4,821	4,330
Beneficial interest in assets held by community foundation (Note 6)	9,652	11,572
Prepaid expense	760	549
Total current assets	70,073	50,065
Equipment, net (Notes 1 and 2)	1,416	4,431
Total assets	\$ 71,489	\$ 54,496
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 87	\$ 585
Due to NRN (Note 5)	0	1,162
Accrued vacation	1,191	3,425
Accrued payroll taxes and related withholdings	5,751	2,505
Total current liabilities	7,029	7,677
Net assets		
Unrestricted	47,375	45,819
Temporarily restricted (Note 1)	17,085	1,000
Total net assets	64,460	46,819
Total liabilities and net assets	\$ 71,489	\$ 54,496

Volunteer Center of Greater Kalamazoo

Statement of Activities
Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Total
Support and revenues:			
Public and governmental support:			
United Way	\$ 114,385	\$ 0	\$ 114,385
Contributions	51,578	0	51,578
Grants	11,149	17,085	28,234
Net assets released from restrictions:			
Satisfaction of program restrictions	1,000	(1,000)	0
Total public and governmental support	178,112	16,085	194,197
Revenues:			
Workshop fees	3,941	0	3,941
Guidebook fees	2,160	0	2,160
Miscellaneous income	9,832	0	9,832
Interest income	406	0	406
Change in beneficial interest in assets held by community foundation	(1,920)	0	(1,920)
Total revenues	14,419	0	14,419
Total support and revenues	192,531	16,085	208,616
Expenses:			
Program services	141,965	0	141,965
Management and general	35,490	0	35,490
Fund raising	13,520	0	13,520
Total expenses	190,975	0	190,975
Change in net assets	1,556	16,085	17,641
Net assets, beginning of year	45,819	1,000	46,819
Net assets, end of year	\$ 47,375	\$ 17,085	\$ 64,460

Volunteer Center of Greater Kalamazoo

Statement of Activities
Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Total
Support and revenues:			
Public and governmental support:			
United Way	\$ 102,372	\$ 0	\$ 102,372
Contributions	25,139	0	25,139
Grants	14,421	1,000	15,421
Total public and governmental support	141,932	1,000	142,932
Revenues:			
Workshop fees	7,479	0	7,479
Guidebook fees	750	0	750
Miscellaneous income	8,245	0	8,245
Interest income	839	0	839
NRN fee (Note 5)	500	0	500
Total revenues	17,813	0	17,813
Total support and revenues	159,745	1,000	160,745
Expenses:			
Program services	122,210	0	122,210
Management and general	30,553	0	30,553
Fund raising	6,694	0	6,694
Total expenses	159,457	0	159,457
Change in net assets	288	1,000	1,288
Net assets, beginning of year	33,959	0	33,959
Cumulative effect - change in accounting principle (Note 7)	11,572	0	11,572
Net assets, end of year	\$ 45,819	\$ 1,000	\$ 46,819

The accompanying notes are an integral part of these financial statements.

Volunteer Center of Greater Kalamazoo

Statement of Functional Expenses Year Ended June 30, 2008

	Supporting Services			Total
	Program Services	Management and General	Fund Raising	
Functional Expenses				
Salaries	\$ 84,623	\$ 21,156	\$ 0	\$ 105,779
Payroll taxes	8,109	2,027	0	10,136
Employee benefits	2,962	740	0	3,702
Professional fees	4,400	1,100	0	5,500
Supplies	10,743	2,686	13,520	26,949
Telephone	2,815	703	0	3,518
Utilities	2,140	535	0	2,675
Computer support services	1,278	319	0	1,597
Repairs and maintenance	1,605	401	0	2,006
Printing and publications	937	234	0	1,171
Travel	663	166	0	829
Dues	442	110	0	552
Awards	15,550	3,887	0	19,437
Conference expense	201	51	0	252
Insurance	1,958	490	0	2,448
Miscellaneous	1,127	282	0	1,409
Depreciation	2,412	603	0	3,015
Total expenses	\$ 141,965	\$ 35,490	\$ 13,520	\$ 190,975

Volunteer Center of Greater Kalamazoo

Statement of Functional Expenses Year Ended June 30, 2007

	Supporting Services			Total
	Program Services	Management and General	Fund Raising	
Functional Expenses				
Salaries	\$ 77,740	\$ 19,435	\$ 0	\$ 97,175
Payroll taxes	6,967	1,742	0	8,709
Employee benefits	2,426	606	0	3,032
Professional fees	3,440	860	0	4,300
Supplies	10,866	2,717	6,694	20,277
Telephone	2,353	588	0	2,941
Utilities	2,140	535	0	2,675
Computer support services	1,389	347	0	1,736
Repairs and maintenance	1,094	274	0	1,368
Printing and publications	734	184	0	918
Travel	510	128	0	638
Dues	408	102	0	510
Awards	6,660	1,665	0	8,325
Conference expense	280	70	0	350
Insurance	1,998	499	0	2,497
Miscellaneous	1,280	320	0	1,600
Depreciation	1,925	481	0	2,406
Total expenses	\$ 122,210	\$ 30,553	\$ 6,694	\$ 159,457

Volunteer Center of Greater Kalamazoo

Statement of Cash Flows

Year Ended June 30,	2008	2007
Cash flows from operating activities		
Change in net assets	\$ 17,641	\$ 1,288
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,015	2,406
Change in beneficial interest in assets held by community foundation	1,920	0
(Increase) decrease in:		
Accounts receivable	(491)	(3,890)
Prepaid expense	(211)	77
Increase (decrease) in:		
Accounts payable	(498)	585
Due to NRN	(1,162)	(129)
Accrued vacation	(2,234)	(771)
Accrued and withheld payroll taxes	3,246	1,400
Net cash provided by operating activities	21,226	966
Cash flow used in investing activities		
Purchase of fixed assets	0	(890)
Net cash used in investing activities	0	(890)
Net increase in cash and cash equivalents	21,226	76
Cash and cash equivalents, at beginning of year	33,614	33,538
Cash and cash equivalents, at end of year	\$ 54,840	\$ 33,614

Volunteer Center of Greater Kalamazoo

Notes to Financial Statements

1. Nature of Entity and Significant Accounting Policies

Nature of business - Volunteer Center of Greater Kalamazoo, (the "Organization") is a United Way member agency that places individuals deciding to volunteer time and skills with appropriate non-profit organizations needing volunteer help. Funds are received from Greater Kalamazoo United Way, public contributions and membership fees.

Basis of accounting - The accompanying financial statements have been prepared on the accrual basis of accounting.

Equipment - Equipment is stated at cost less accumulated depreciation which is computed using the straight-line method and estimated useful lives ranging as follows:

Equipment	3-10 years
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Expenditures for maintenance and repairs are charged against income; renewals and improvements greater than \$500 are capitalized. The cost and related accumulated depreciation of properties sold or otherwise retired are removed from the amounts and resultant gains or losses are reflected in income.

Tax status - The Organization is exempt from federal income taxes as a nonprofit organization under the Internal Revenue Code Section 501(c)(3) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Donated services and facilities - Donated services for the years ended June 30, 2008 and 2007 were \$16,587 and \$893, respectively. Additionally, the Organization leases the facility from Greater Kalamazoo United Way for \$1 annually through 2009. No amounts have been recorded to reflect the actual fair market value of the lease.

Expense allocation - Certain expenses have been allocated to programs based on approximate direct time spent on programs.

Use of estimates - The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and related support, revenues and expenses.

Cash and cash equivalents - The Organization considers its certificate of deposit a cash equivalent as no penalties are assessed if the certificate is prematurely redeemed.

Volunteer Center of Greater Kalamazoo

Notes to Financial Statements

1. Nature of Entity and Significant Accounting Policies - Continued

Retirement plan - The Organization has a defined contribution retirement plan for all employees who have completed twelve consecutive months of employment. Employee contributions are voluntary and the Organization will match employee contributions up to 3% of the participant's gross compensation. Pension expense for the years ended June 30, 2008 and 2007 were \$2,967 and \$2,258, respectively.

Temporarily restricted net assets - 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 a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The temporarily restricted net assets are restricted as follows:

June 30,	2008	2007
Purpose restrictions	\$17,085	\$1,000

2. Property and Equipment

Property, plant and equipment are comprised of the following:

June 30,	2008	2007
Equipment	\$20,849	\$39,892
Less accumulated depreciation	(19,433)	(35,461)
	\$1,416	\$4,431

3. Endowment Fund

The Organization has an Endowment Fund administered by the Kalamazoo Community Foundation (the "Foundation"). The fund is irrevocably invested and is managed by the Foundation for a fee. The principal balance including accumulated earnings of this fund at June 30, 2008 and 2007 amounted to \$37,482 and \$44,890, respectively. Earnings on this fund, as determined by the Foundation, are available annually for distribution to the Organization for operations at the discretion of the Foundation, and therefore, are not reflected until received.

Volunteer Center of Greater Kalamazoo

Notes to Financial Statements

4. **Concentration of Credit Risk** Approximately 59% and 72% of total public support was provided by the Greater Kalamazoo United Way during the years ended June 30, 2008 and 2007, respectively.

5. **Due to NRN** The Organization was the fiscal agent for Nonprofit Resource Network ("NRN") and therefore, no financial activity of NRN is included in the financial statements of the Organization. The Organization received a \$500 fee per workshop to act as its fiscal agent. In fiscal 2008, NRN authorized the Organization to use remaining funds to cover administrative costs for supporting the development of a local non-profit resource center at the Kalamazoo Public Library.

6. **Beneficial Interest in Assets Held by Community Foundation** Beneficial interests in assets represents pooled fund investments with community foundations. The pooled funds consist of mutual funds, corporate stocks and bonds, U.S. government securities, and other investments.

Beneficial interest results when a nonprofit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund. The foundation maintains unilateral variance power and legal ownership of agency endowment funds and as such continues to report the funds as assets and offsetting liabilities of the foundation. Funds are distributed based on spending rate policies. In accordance with Statement of Financial Accounting Standards No. 136, an asset has been established for the fair market value of the funds, which is generally equivalent to the present value of future payments expected to be received by the Organization.

Beneficial interest in assets is comprised of the following:

June 30,	2008	2007
Funds held at Kalamazoo Community Foundation	\$9,652	\$11,572

7. **Cumulative Effect - Change in Accounting Principle** During the year ended June 30, 2007, the Organization adopted Statement of Financial Accounting Standard No. 136, Transfer of Assets to a Not-for-Profit Organization on Charitable Trust that Raise a Hold Contribution for Others (FAS 136). FAS 136 establishes accounting standards for the reporting of transactions in which a community foundation accepts contributions from a non-profit organization and transfers those assets, the return of those assets, or both, back to the Organization.