

VOLUNTEER CENTER OF LUBBOCK, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

LUBBOCK, TEXAS

VOLUNTEER CENTER OF LUBBOCK, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

VOLUNTEER CENTER OF LUBBOCK, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

	<u>Statement Identification</u>	<u>Page No.</u>
FINANCIAL SECTION		
Independent Auditors' Report		1
Statement of Financial Position	Exhibit A	3
Statement of Activities	Exhibit B	4
Statement of Cash Flows	Exhibit C	5
Statement of Functional Expenses	Exhibit D	6
Notes to Financial Statements		7
ACCOMPANYING INFORMATION		
Independent Auditors' Report on Accompanying Information		11
Comparison of Revenue and Expenses to Budget – Current Funds – Unrestricted	Schedule I	12
Reconciliation of Actual Revenue and Expenses for Current Funds – Unrestricted Per Exhibit B to Actual Revenue and Expenses for Budget Purposes	Schedule II	13

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

INDEPENDENT AUDITORS' REPORT

Board of Directors
Volunteer Center of Lubbock, Inc.
Lubbock, Texas

We have audited the accompanying financial statements of the Volunteer Center of Lubbock, Inc. (the Center), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Volunteer Center of Lubbock, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

February 20, 2013

VOLUNTEER CENTER OF LUBBOCK, INC.

Exhibit A

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011**

ASSETS

	December 31,	
	<u>2012</u>	<u>2011</u>
Current Assets		
Cash in Bank	\$ 281,746	\$ 171,681
Certificate of Deposit	102,911	133,282
Accounts Receivable	31	
Accounts Receivable - Restricted	632,574	191,544
Other Current Assets	<u>6,993</u>	<u>15,743</u>
Total Current Assets	<u>\$ 1,024,255</u>	<u>\$ 512,250</u>
Non-Current Assets		
Fixed Assets		
Furniture and Equipment	\$ 35,949	\$ 41,835
Less: Accumulated Depreciation	<u>28,922</u>	<u>29,470</u>
Total Fixed Assets	<u>\$ 7,027</u>	<u>\$ 12,365</u>
Endowment Fund Cash - Restricted	<u>\$ 100,000</u>	<u>\$ 0</u>
Total Non-Current Assets	<u>\$ 107,027</u>	<u>\$ 12,365</u>
Total Assets	<u><u>\$ 1,131,282</u></u>	<u><u>\$ 524,615</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Other Accrued Liabilities	<u>\$ 19,035</u>	<u>\$ 18,066</u>
Total Current Liabilities	<u>\$ 19,035</u>	<u>\$ 18,066</u>
Deferred Revenue	<u>\$ 5,680</u>	<u>\$ 5,310</u>
Net Assets		
Unrestricted		
Undesignated	\$ 197,732	\$ 163,210
Net Investment in Equipment	7,027	12,365
Temporarily Restricted	301,808	325,664
Permanently Restricted	<u>600,000</u>	
Total Net Assets	<u>\$ 1,106,567</u>	<u>\$ 501,239</u>
Total Liabilities and Net Assets	<u><u>\$ 1,131,282</u></u>	<u><u>\$ 524,615</u></u>

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

VOLUNTEER CENTER OF LUBBOCK, INC.

Exhibit B

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	December 31,	
				2012	2011
PUBLIC SUPPORT AND REVENUE					
Public Support					
Received Indirectly					
United Way of Lubbock	\$ 132,215	\$ 28,876	\$	\$ 161,091	\$ 159,034
Received Directly					
Fund Raising	56,750			56,750	57,300
Donations	21,215			21,215	28,065
In-Kind Donation				0	15,000
	<u>\$ 210,180</u>	<u>\$ 28,876</u>	<u>\$ 0</u>	<u>\$ 239,056</u>	<u>\$ 259,399</u>
GRANTS					
CH Foundation	\$ 67,250	\$ 79,800	\$	\$ 147,050	\$ 145,020
Helen Jones Foundation		30,000		30,000	90,000
Helen Jones Endowment			600,000	600,000	
Walmart Foundation		50,000		50,000	
Other		22,000		22,000	23,500
	<u>\$ 67,250</u>	<u>\$ 181,800</u>	<u>\$ 600,000</u>	<u>\$ 849,050</u>	<u>\$ 258,520</u>
FEES AND OTHER REVENUE					
Activity - Seminars/Workshops	\$ 19,296	\$	\$	\$ 19,296	\$ 17,195
Activity - Criminal Background Checks				0	790
Interest Earned	4,043			4,043	3,375
Other	14,182			14,182	12,037
	<u>\$ 37,521</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,521</u>	<u>\$ 33,397</u>
Net Assets Released from Restrictions					
Prior Year United Way Allocation	\$ 27,809	\$ (27,809)	\$	\$	\$
CH Foundation Grant	81,073	(81,073)			
Helen Jones Foundation	90,000	(90,000)			
Other	35,620	(35,620)			
	<u>\$ 234,502</u>	<u>\$ (234,502)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Support and Revenue	<u>\$ 549,453</u>	<u>\$ (23,826)</u>	<u>\$ 600,000</u>	<u>\$ 1,125,627</u>	<u>\$ 551,316</u>
EXPENSES					
Program Services	\$ 465,229	\$	\$	\$ 465,229	\$ 445,431
Management and General	20,084			20,084	21,179
Fund Raising	34,986			34,986	34,260
Total Expenses	<u>\$ 520,299</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 520,299</u>	<u>\$ 500,870</u>
CHANGE IN NET ASSETS	\$ 29,154	\$ (23,826)	\$ 600,000	\$ 605,328	\$ 50,446
NET ASSETS - BEGINNING OF YEAR	<u>175,605</u>	<u>325,634</u>	<u>0</u>	<u>501,239</u>	<u>450,793</u>
NET ASSETS - END OF YEAR	<u>\$ 204,759</u>	<u>\$ 301,808</u>	<u>\$ 600,000</u>	<u>\$ 1,106,567</u>	<u>\$ 501,239</u>

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

VOLUNTEER CENTER OF LUBBOCK, INC.

Exhibit C

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2011

	December 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 605,328	\$ 50,446
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
Depreciation	5,337	6,459
Changes in Operating Assets and Liabilities		
Accounts Receivable - Restricted	(441,030)	(1,002)
Accounts Receivable - Other	(31)	
Other Current Assets	8,750	(13,750)
Proceeds from Endowment	(100,000)	
Accounts Payable and Accrued Expenses	970	(3,677)
Deferred Revenue	370	(5,070)
	\$ 79,694	\$ 33,406
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	\$ 0	\$ (6,706)
	\$ 0	\$ (6,706)
NET INCREASE IN CASH	\$ 79,694	\$ 26,700
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	304,963	278,263
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 384,657	\$ 304,963
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	\$ 0	\$ 0
Income Taxes	\$ 0	\$ 0

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

VOLUNTEER CENTER OF LUBBOCK, INC.

Exhibit D

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2011**

	Program Services	Management and General	Fund Raising	December 31, 2012	December 31, 2011
Salaries and Benefits	\$ 240,215	\$ 11,250	\$ 16,209	\$ 267,674	\$ 275,572
Payroll Taxes	19,794	301	1,519	21,614	22,033
Total Salaries and Related Expense	\$ 260,009	\$ 11,551	\$ 17,728	\$ 289,288	\$ 297,605
Supplies	11,071	21	140	11,232	12,514
Volunteer Program Awards	58,979			58,979	59,914
Seminars/Workshops Expense	21,254			21,254	7,096
Telephone	3,489	26	130	3,645	3,765
Postage and Shipping	3,064	21	1,101	4,186	4,198
Occupancy	9,979	151	766	10,896	10,897
Equipment Repairs	413	6	32	451	455
Printing and Publications	10,652	41	207	10,900	11,229
Dues	2,000			2,000	1,692
Conferences and Travel	13,833	70		13,903	13,043
Insurance	2,874	43	221	3,138	3,133
Contract Services		7,742		7,742	8,546
Golf Tournament			12,949	12,949	15,445
Helen Jones Leadership	23,400			23,400	22,700
Other	38,949	338	1,712	40,999	22,179
Total Before Depreciation	\$ 459,966	\$ 20,010	\$ 34,986	\$ 514,962	\$ 494,411
Depreciation of Equipment	5,263	74		5,337	6,459
Total Expenses	\$ 465,229	\$ 20,084	\$ 34,986	\$ 520,299	\$ 500,870

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

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Activities

The Volunteer Center of Lubbock, Inc. (the Center) was chartered in March of 1990 for the purpose of identifying and developing resources to meet community needs by linking volunteers with people or groups in need of volunteers and providing management assistance services to other nonprofit organizations. The Center is funded by United Way of Lubbock, Inc., grant income, and fees from workshops.

Income Taxes

The Center is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Fixed Assets and Depreciation

Expenditures for equipment in excess of \$500 are capitalized. Depreciation is recorded on a straight-line basis at rates of 10% to 20% per year. Office furniture and equipment cost at December 31, 2012, is \$35,949 and accumulated depreciation is \$28,922. Depreciation expense for the year is \$5,337. Donated fixed assets are valued at fair market value at the time they are received.

Financial Statement Presentation

The Center 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.

Unrestricted net assets represent revenues and expenses no longer restricted by donors for which the Board of Directors has discretionary control to carry out operations of the Center in accordance with its by-laws.

Temporarily restricted net assets represent resources currently available for use or receivable from donors, but expendable only for those purposes specified by the donors.

Permanently restricted net assets are amounts that are restricted by donors in perpetuity as endowments.

Contributions

Contributions received are recorded as temporarily restricted support until any restrictions imposed by donors are met.

Functional Allocation of Expenses

The costs of providing programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

Comparative Totals

The financial information for the year ended December 31, 2011, is presented for comparative purposes only and is not intended to be a complete financial statement presentation.

Estimates

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

Statement of Cash Flows

For purposes of the statement of cash flows, the Center considers cash in bank and certificates of deposit to be cash equivalents.

Contributed Services

Contributed services shall be recognized if the service received (a) creates or enhances nonfinancial assets or (b) requires specialized skills and would typically need to be purchased if not provided by donation. Many volunteers provide services related to the Center's programs and fund raising campaigns throughout the year. These services are not recognized as contributions in the financial statements, because the recognition criteria was not met.

Uncertain Tax Positions

The Center has adopted the "uncertain tax positions" provisions of accounting principles generally accepted in the United States of America. The primary tax position of the Center is its filing status as a tax exempt entity. The Center determined that it is more likely than not that their tax positions will be sustained upon examination by the Internal Revenue Service (IRS), or other State taxing authorities. The Center is no longer subject to examinations by federal taxing authorities for years before 2009.

Endowment Funds

The Volunteer Center of Lubbock, Inc. Helen Devitt Jones Endowment will be established in January 2013, with a grant, in trust, from the Helen Devitt Jones Foundation in the amount of \$600,000. As of December 31, 2012, \$100,000 is in restricted cash and \$500,000 is in a restricted receivable. Each year, at least 5% of the value of this trust shall be distributed for the purpose of providing ongoing funding for leadership development or educational programming to further the mission of the Center. These distributions will not start until 2014. The Trust is governed by its own Board of Trustees comprised of seven members consisting of the Center's President and Treasurer, two members appointed by the Center, two at-large members, and one member of the Helen Devitt Jones Foundation Board of Directors.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

2. Accounts Receivable – Restricted

Accounts receivable – restricted consists of amounts due from the following organizations:

United Way of Lubbock	\$ 22,774
CH Foundation	79,800
Helen Jones Foundation	30,000
Helen Jones Endowment	<u>500,000</u>
	<u>\$ 632,574</u>

3. Temporarily Restricted Net Assets

Temporarily restricted net assets represent resources currently available for use or receivable from donors, but expendable only for grantor-specified purposes or based on time restrictions. At December 31, 2012, temporarily restricted net assets consisted of the following:

	<u>Balance 1/1/12</u>	<u>Proceeds/ Allocation Received</u>	<u>Released From Restrictions</u>	<u>Balance 12/31/12</u>
United Way of Lubbock				
2012 Allocation	\$ 22,774	\$ 6,102	\$ (27,809)	\$ 1,067
2013 Allocation		22,774		22,774
Helen Jones Foundation	91,603	30,000	(90,000)	31,603
CH Foundation - Youth	181,582	79,800	(81,073)	180,309
Lubbock Area Foundation	1,925	5,000	(1,925)	5,000
South Plains Foundation	9,000	10,000	(12,000)	7,000
AT&T	5,000		(5,000)	0
Best Buy		7,000	(2,945)	4,055
Walmart Foundation		50,000		50,000
In-Kind Donation	<u>13,750</u>		<u>(13,750)</u>	<u>0</u>
	<u>\$ 325,634</u>	<u>\$ 210,676</u>	<u>\$ (234,502)</u>	<u>\$ 301,808</u>

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

4. Permanently Restricted Net Assets

Permanently restricted net assets are amounts that are restricted by donors in perpetuity as endowments. Changes in Endowment Fund Net Assets for the fiscal year ended December 31, 2012:

	Balance 1/1/12	Proceeds/ Allocation Received	Released From Restrictions	Balance 12/31/12
Helen Jones Endowment	\$ _____	\$ 600,000	\$ _____	\$ 600,000
	\$ 0	\$ 600,000	\$ 0	\$ 600,000

5. Leases

The Center is leasing photocopying equipment through an operating lease. The terms of the lease call for monthly payments of \$477 over 60 months. Lease expense for the year ended December 31, 2012, totaled \$5,724. The following represents future minimum lease payment:

2013	\$ 5,724
2014	5,724
2015	5,724
2016	2,862
	<u>\$ 20,034</u>

6. Subsequent Events

The Center has evaluated subsequent events through February 20, 2013, the date which the financial statements were available to be issued.

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

**INDEPENDENT AUDITORS' REPORT
ON ACCOMPANYING INFORMATION**

We have audited the financial statements of the Volunteer Center of Lubbock, Inc. as of and for the year ended December 31, 2012, and have issued our report thereon dated, February 20, 2013 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The comparison of revenue and expenses to budget and the reconciliation of actual revenue and expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bolinger, Segars, Gilbert & Moss L.L.P.

Certified Public Accountants

February 20, 2013

ACCOMPANYING INFORMATION

VOLUNTEER CENTER OF LUBBOCK, INC.

Schedule I

COMPARISON OF REVENUE AND EXPENSES TO BUDGET
CURRENT FUNDS - UNRESTRICTED
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUE			
Public Contributions	\$ 21,215	\$ 23,924	\$ (2,709)
Fundraising	56,750	51,500	5,250
United Way	160,024	159,489	535
Other Grants	273,943	278,574	(4,631)
Seminars/Workshops	19,296	14,000	5,296
Interest Earned	4,043	3,000	1,043
Other	14,182	11,700	2,482
Total Support and Revenue	<u>\$ 549,453</u>	<u>\$ 542,187</u>	<u>\$ 7,266</u>
EXPENSES			
Salaries and Benefits	\$ 267,674	\$ 285,930	\$ 18,256
Payroll Taxes	21,614	23,210	1,596
Supplies	11,232	12,530	1,298
Volunteer Program Awards	58,979	59,150	171
Seminars/Workshops Expense	21,254	21,250	(4)
Telephone	3,645	3,800	155
Postage and Shipping	4,186	4,190	4
Occupancy	10,896	10,896	0
Equipment Repairs	451	500	49
Printing/Publications	10,900	10,985	85
Dues/Memberships	2,000	2,000	0
Conferences and Travel	13,903	13,901	(2)
Insurance	3,138	3,500	362
Contract Services	7,742	7,700	(42)
Golf Tournament	12,949	13,000	51
Helen Jones Leadership	23,400	23,400	0
Other	40,999	46,245	5,246
	<u>\$ 514,962</u>	<u>\$ 542,187</u>	<u>\$ 27,225</u>
Total Support and Revenue Over Expenses	<u>\$ 34,491</u>	<u>\$ 0</u>	<u>\$ 34,491</u>

VOLUNTEER CENTER OF LUBBOCK, INC.

Schedule II

**RECONCILIATION OF ACTUAL REVENUE AND EXPENSES
FOR CURRENT FUNDS - UNRESTRICTED PER EXHIBIT B
TO ACTUAL REVENUE AND EXPENSES FOR BUDGET PURPOSES
FOR YEAR ENDED DECEMBER 31, 2012**

REVENUE

Total Support and Revenue - Exhibit B - Unrestricted	\$	549,453
Total Revenue - Schedule I	\$	<u>549,453</u>

EXPENSES

Expenses - Exhibit B	\$	520,299
Less:		
Depreciation of Equipment		<u>5,337</u>
Total Expenses - Schedule I	\$	<u>514,962</u>