



Mediation Services

for Anoka County

Mediation Services for Anoka County

Financial Statements
and
Supplemental Information

Years Ended December 31, 2008 and 2007

MEDIATION SERVICES FOR ANOKA COUNTY

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Robert P. Bayer, CPA

Accountant's Review Report

To the Board of Directors
Mediation Services for Anoka County
Coon Rapids, Minnesota

I have reviewed the accompanying statements of financial position of Mediation Services for Anoka County (a nonprofit organization) as of December 31, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Mediation Services for Anoka County.

A review consists principally of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying schedule of comparison of actual to budget is presented for supplemental analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.

Lino Lakes, Minnesota
January 14, 2009

MEDIATION SERVICES FOR ANOKA COUNTY

STATEMENTS OF FINANCIAL POSITION

December 31, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash in Bank	\$ 58,260	\$ 51,593
Prepaid Expenses	<u>-</u>	<u>-</u>
Total Current Assets	<u>58,260</u>	<u>51,593</u>
Property & Equipment:		
Equipment	37,826	37,826
Leasehold Improvements	5,987	5,987
Accumulated Depreciation	<u>(36,380)</u>	<u>(33,827)</u>
Total Property and Equipment	<u>7,433</u>	<u>9,986</u>
Total Assets	<u>\$ 65,693</u>	<u>\$ 61,579</u>

LIABILITIES & NET ASSETS

Current Liabilities:		
Accounts Payable	\$ -	\$ 6,450
Deferred Revenue	<u>-</u>	<u>27,000</u>
Total Current Liabilities	<u>-</u>	<u>33,450</u>
Net Assets:		
Net Assets, Unrestricted	<u>65,693</u>	<u>28,129</u>
Total Liabilities & Net Assets	<u>\$ 65,593</u>	<u>\$ 61,579</u>

See accompanying notes and accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues & Support:		
Governmental Units	\$ 101,071	\$ 104,016
United Way	40,577	40,577
Contributions	14,585	43,474
Mediation Fees	13,592	13,420
Foundations	15,500	11,500
Workshops and Training	5,740	8,310
Interest Income	56	584
	<hr/>	<hr/>
Total Revenues and Support	191,121	221,881
Expenses:		
Salaries	83,326	138,995
Payroll Taxes	6,646	11,288
Employee Benefits	8,324	6,703
Workers' Compensation	138	646
Rent	18,600	23,598
Telephone	2,401	2,838
Staff Development	512	424
Mileage	804	1,570
Postage	1,370	2,553
Printing	937	1,012
Computer Technician	300	694
Volunteer Training	200	224
Trainers	750	400
Volunteer Appreciation	536	1,684
Advertising and Promotion	483	8811
Website	436	1,075
Insurance	326	275
Supplies	2,801	3,335
Accounting & Payroll Service	3,406	3,374
Copier	644	1,228
Board Development	351	201
Miscellaneous	1,167	1,363
Contract Services	9,588	1,200
Professional Memberships	1,426	946
Depreciation	2,553	1,356
Security & Alarm	816	329
Fundraising	4,716	9,161
	<hr/>	<hr/>
Total Expenses	153,557	217,353
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Change in Unrestricted Net Assets	<u>\$ 37,564</u>	<u>\$ 4,528</u>

See accompanying notes and accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

STATEMENTS OF CHANGES IN NET ASSETS

For the Year Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Change in Unrestricted Net Assets	\$ 37,564	\$ 4,528
Net Assets at Beginning of Year	<u>28,129</u>	<u>23,601</u>
Net Assets at End of Year	<u>\$ 65,693</u>	<u>\$ 28,129</u>

See accompanying notes and accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2008

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Functional Expenses:				
Salaries	\$ 67,158	\$ 13,691	\$ 2,477	\$ 83,326
Payroll Taxes	5,333	1,112	201	6,646
Employee Benefits	8,324	-	-	8,324
Workers' Compensation	138	-	-	138
Rent	18,600	-	-	18,600
Telephone	2,401	-	-	2,401
Staff Development	512	-	-	512
Mileage	804	-	-	804
Postage	1,370	-	-	1,370
Printing	937	-	-	937
Computer Technicians	300	-	-	300
Volunteer Training	200	-	-	200
Trainers	750	-	-	750
Volunteer Appreciation	536	-	-	536
Advertising & Promotion	483	-	-	483
Website	436	-	-	436
Insurance	326	-	-	326
Supplies	2,801	-	-	2,801
Accounting & Payroll Service	-	3,406	-	3,406
Copier	644	-	-	644
Board Development	-	351	-	351
Miscellaneous	1,167	-	-	1,167
Contract Services	9,588	-	-	9,588
Professional Memberships	1,426	-	-	1,426
Depreciation	2,553	-	-	2,553
Security & Alarm	816	-	-	816
Fundraising	-	-	4,716	4,716
Total Functional Expenses	<u>\$ 127,603</u>	<u>\$ 18,560</u>	<u>\$ 7,394</u>	<u>\$ 153,557</u>

See accompanying notes and accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2007

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Functional Expenses:				
Salaries	\$ 118,146	\$ 17,374	\$ 3,475	\$ 138,995
Payroll Taxes	9,595	1,411	282	11,288
Employee Benefits	6,703	-	-	6,703
Workers' Compensation	646	-	-	646
Rent	23,598	-	-	23,598
Telephone	2,738	-	100	2,838
Staff Development	424	-	-	424
Mileage	1,570	-	-	1,570
Postage	2,453	-	100	2,553
Printing	712	-	300	1,012
Computer Technicians	694	-	-	694
Volunteer Training	224	-	-	224
Trainers	400	-	-	400
Volunteer Appreciation	1,684	-	-	1,684
Advertising & Promotion	881	-	-	881
Website	575	-	500	1,075
Insurance	275	-	-	275
Supplies	3,001	334	-	3,335
Accounting & Payroll Service	-	3,374	-	3,374
Copier	1,228	-	-	1,228
Board Development	-	201	-	201
Miscellaneous	1,363	-	-	1,363
Repairs & Maintenance	-	-	-	-
Contract Services, YMCA	1,200	-	-	1,200
Professional Memberships	946	-	-	946
Depreciation	1,356	-	-	1,356
Security & Alarm	329	-	-	329
Fundraising	-	-	9,161	9,161
Total Functional Expenses	<u>\$ 180,741</u>	<u>\$ 22,694</u>	<u>\$ 13,918</u>	<u>\$ 217,353</u>

See accompanying notes and accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 37,564	\$ 4,528
Adjustments to reconcile change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	2,553	1,356
Decrease (Increase) in Prepaid Rent	-	1,883
Increase in Accounts Payable	(6,450)	6,450
Increase in Deferred Revenue	(27,000)	27,000
Cash Available For (Used in) Operating Activities	<u>6,667</u>	<u>41,217</u>
Cash Used in Investing Activities		
Purchase of Leasehold Improvements	-	(5,987)
Beginning Cash and Cash Equivalents	<u>51,593</u>	<u>16,363</u>
Ending Cash and Cash Equivalents	<u>\$ 58,260</u>	<u>\$ 51,593</u>

See accompanying notes and accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2008 and 2007

NOTE 1: DESCRIPTION OF ACTIVITIES

Mediation Services for Anoka County is a neighborhood-based conflict resolution program, which trains members in mediation, conciliation, case development, outreach and related skills. With staff support, these trained volunteers offer their neighborhoods in Anoka County a free or low-cost, informal and easy to use forum for resolution of a wide variety of disputes and problems.

Mediation Services assists parties to resolve neighborhood and community disputes, conflicts within families, problems between landlord and tenant, disputes between businesses and consumers, disputes within city government and problems experienced by organizations and agencies.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting – The financial statements of Mediation Services for Anoka County have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

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, the Organization is required to report information regarding its financial position and activities under three classes of net assets: unrestricted, temporarily restricted and permanently restricted. There were no temporarily or permanently restricted net assets at December 31, 2008 and 2007.

Income Taxes – The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

Use of 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.

See accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2008 and 2007

Cash and Cash Equivalents – For purposes of the statement of cash flow, the Organization considers all highly liquid investments available for use, with an initial maturity of three months or less, to be cash equivalents.

Fixed Assets and Depreciation – Equipment is capitalized at cost. It is the Organization's policy to capitalize all expenditures for office equipment. Equipment is depreciated over estimated useful lives of five to seven years using the straight-line method. Ordinary maintenance and repairs are expensed as incurred.

Deferred Revenue – Revenue from Anoka County of \$27,000 was received in December, 2007 representing the Organization's revenue allotment for 2008, and thus, was classified as deferred revenue.

Contributions – The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence or nature of any donor restrictions.

Donated Services – Donated services are recognized as contributions in accordance with SFAS 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets, or (b) required specialized skills, are performed by people with those skills, and would otherwise be purchased.

Members of the Board of Directors and other persons have contributed significant amounts of time in administrative and fund-raising activities of the Organization without compensation. These donated services were not recognized in the financial statements because they did not meet the criteria for recognition under SFAS No. 116.

NOTE 3: MAJOR DONORS:

During 2008, one donor provided 21.3%, and two other donors provided 14.2% and 12.1% of the total receipts of the Organization, respectively. In 2007, one donor provided 18.3% of the total receipts of the Organization; and two other donors provided 14.4% and 11.7%, respectively.

NOTE 4: RETIREMENT PLAN:

During 2003, the Organization began a 403 - (b) retirement plan for its employees. All employees are eligible to participate. The Organization is not required to make any matching contributions on behalf of its employees.

MEDIATION SERVICES FOR ANOKA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2008 and 2007

NOTE 5: LEASE COMMITMENTS:

The Organization leases its space under a 60-month operating lease, which commenced on January 1, 2008.

Future minimum lease payments required under the operating leases are as follows:

<u>December 31,</u>	
2009	\$ 19,064
2010	20,017
2011	21,018
2012	<u>22,069</u>
Totals	<u>\$ 82,168</u>

See accountant's review report.

SUPPLEMENTAL INFORMATION

MEDIATION SERVICES FOR ANOKA COUNTY

COMPARISON OF ACTUAL REVENUES TO BUDGET

For the Year Ended December 31, 2008

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue and Support:			
Governmental Units	\$ 101,071	\$ 104,240	\$ (3,169)
United Way	40,577	40,000	577
Contributions	14,585	8,500	6,085
Mediation Fees	13,592	15,000	(1,408)
Foundations	15,500	17,000	(1,500)
Workshops and Training	5,740	5,000	740
Interest Income	56	500	(444)
	<hr/>	<hr/>	<hr/>
Total Revenue and Support	<u>\$ 191,121</u>	<u>\$ 190,240</u>	<u>\$ 881</u>
Expenses:			
Salaries	\$83,326	\$ 74,000	\$ (9,326)
Payroll Taxes	6,646	5,700	(946)
Employee Benefits	8,324	7,313	(1,011)
Workers' Compensation	138	646	508
Rent	18,600	18,600	-
Telephone	2,401	2,300	(101)
Staff Development	512	500	(12)
Mileage	804	500	(304)
Postage	1,370	1,500	130
Printing	937	1,000	63
Computer Technician	300	600	300
Volunteer Training	200	500	300
Trainers	750	500	(250)
Volunteer Appreciation	536	250	(286)
Advertising and Promotion	483	360	(123)
Website	436	1,000	564
Insurance	326	300	(26)
Supplies	2,801	3,500	699
Accounting & Payroll Service	3,406	2,750	(656)
Copier	644	750	106
Board Development	351	250	(101)
Miscellaneous	1,167	1,660	493
Contract Services	9,588	21,192	11,604
Professional Memberships	1,426	1,000	(426)
Fundraising	4,716	0	(4,716)
Security Systems	816	300	(516)
Depreciation	2,553	2,553	-
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Total Expenses	<u>\$ 153,557</u>	<u>\$ 149,524</u>	<u>\$ (4,033)</u>

See accompanying notes and accountant's review report.

SUPPLEMENTAL INFORMATION
MEDIATION SERVICES FOR ANOKA COUNTY
COMPARISON OF ACTUAL REVENUES TO BUDGET
For the Year Ended December 31, 2007

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue and Support:			
Governmental Units	\$ 104,016	\$ 119,800	\$ (15,784)
United Way	40,577	40,000	577
Contributions	43,474	50,500	(7,026)
Mediation Fees	13,420	12,000	1,420
Foundations	11,500	9,500	2,000
Workshops and Training	8,310	5,000	3,310
Interest Income	584	1,000	(416)
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Total Revenue and Support	<u>\$ 221,881</u>	<u>\$ 237,800</u>	<u>\$ (15,919)</u>
Expenses:			
Salaries	\$ 138,995	\$ 150,137	\$ 11,142
Payroll Taxes	11,288	11,480	192
Employee Benefits	6,703	14,052	7,349
Workers' Compensation	646	638	(8)
Rent	23,598	23,598	-
Telephone	2,838	3,375	537
Staff Development	424	500	76
Mileage	1,570	2,000	430
Postage	2,553	3,500	947
Printing	1,012	2,000	988
Computer Technician	694	1,000	306
Volunteer Training	224	500	276
Trainers	400	500	100
Volunteer Appreciation	1,684	500	(1,184)
Advertising and Promotion	881	460	(421)
Website	1,075	2,000	925
Insurance	275	300	25
Supplies	3,335	5,000	1,665
Accounting & Payroll Service	3,374	3,300	(74)
Copier	1,228	1,000	(228)
Board Development	201	500	299
Miscellaneous	1,363	760	(603)
Capital Expense	0	500	500
Contract Services, YMCA	1,200	0	(1,200)
Professional Memberships	946	1,000	54
Fundraising	9,161	9000	(161)
Security Systems	329	300	(29)
Depreciation	1,356	1202	(154)
	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 217,353</u>	<u>\$ 239,102</u>	<u>\$ 21,749</u>

See accompanying notes and accountant's review report.