



Mediation Services

for Anoka County

Mediation Services for Anoka County

Financial Statements
and
Supplemental Information

Years Ended December 31, 2009 and 2008

MEDIATION SERVICES FOR ANOKA COUNTY

Table of Contents

FINANCIAL STATEMENTS:

ACCOUNTANT’S REVIEW REPORT.....	1
STATEMENTS OF FINANCIAL POSITION.....	2
STATEMENTS OF ACTIVITIES.....	3
STATEMENT OF CHANGES IN NET ASSETS.....	4
STATEMENTS OF FUNCTIONAL EXPENSES.....	5-6
STATEMENTS OF CASH FLOWS.....	7
NOTES TO FINANCIAL STATEMENTS.....	8-10

SUPPLEMENTAL INFORMATION:

COMPARISONS OF ACTUAL TO BUDGET.....	11-12
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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, 2009 and 2008, 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.

Robert P Bayer

Lino Lakes, Minnesota
January 20, 2010

MEDIATION SERVICES FOR ANOKA COUNTY

STATEMENTS OF FINANCIAL POSITION

December 31, 2009 and 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash in Bank	\$ 91,762	\$ 58,260
	<u> </u>	<u> </u>
Total Current Assets	<u>91,762</u>	<u>58,260</u>
Property & Equipment:		
Equipment	37,826	37,826
Leasehold Improvements	5,987	5,987
Accumulated Depreciation	<u>(38,933)</u>	<u>(36,380)</u>
Total Property and Equipment	<u>4,880</u>	<u>7,433</u>
Total Assets	<u>\$ 96,642</u>	<u>\$ 65,693</u>

LIABILITIES & NET ASSETS

Net Assets:		
Net Assets, Unrestricted	<u>96,642</u>	<u>65,693</u>
Total Liabilities & Net Assets	<u>\$ 96,642</u>	<u>\$ 65,693</u>

See accompanying notes and accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues & Support:		
Governmental Units	\$ 116,688	\$ 101,071
United Way	40,577	40,577
Contributions	7,954	14,585
Mediation Fees	16,157	13,592
Foundations	8,000	15,500
Workshops and Training	5,880	5,740
Interest Income	36	56
	<hr/>	<hr/>
Total Revenues and Support	195,292	191,121
Expenses:		
Salaries	98,779	83,326
Payroll Taxes	7,944	6,646
Employee Benefits	13,324	8,324
Workers' Compensation	428	138
Rent	18,620	18,600
Telephone	2,727	2,401
Staff Development	463	512
Mileage	1,022	804
Postage	997	1,370
Printing	1,007	937
Computer Technician	0	300
Volunteer Training	92	200
Trainers	900	750
Volunteer Appreciation	629	536
Advertising and Promotion	264	483
Website	1,031	436
Insurance	327	326
Supplies	2,957	2,801
Accounting & Payroll Service	3,552	3,406
Copier	777	644
Board Development	414	351
Miscellaneous	325	1,167
Contract Services	3,600	9,588
Professional Memberships	1,383	1,426
Depreciation	2,553	2,553
Security & Alarm	229	816
Fundraising	0	4,716
	<hr/>	<hr/>
Total Expenses	164,344	153,557
	<hr/>	<hr/>
Change in Unrestricted Net Assets	<u>\$ 30,949</u>	<u>\$ 37,564</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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Change in Unrestricted Net Assets	\$ 30,949	\$ 37,564
Net Assets at Beginning of Year	<u>65,693</u>	<u>28,129</u>
Net Assets at End of Year	<u>\$ 96,642</u>	<u>\$ 65,693</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, 2009

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Functional Expenses:				
Salaries	\$ 80,011	\$ 15,805	\$ 2,963	\$ 98,779
Payroll Taxes	6,434	1,272	238	7,944
Employee Benefits	13,324	-	-	13,324
Workers' Compensation	428	-	-	428
Rent	18,620	-	-	18,620
Telephone	2,627	-	100	2,727
Staff Development	463	-	-	463
Mileage	1,022	-	-	1,022
Postage	897	-	100	997
Printing	707	-	300	1,007
Volunteer Training	92	-	-	92
Trainers	900	-	-	900
Volunteer Appreciation	629	-	-	629
Advertising & Promotion	264	-	-	264
Website	831	-	200	1,031
Insurance	327	-	-	327
Supplies	2,457	500	-	2,957
Accounting & Payroll Service	-	3,552	-	3,552
Copier	777	-	-	777
Board Development	-	414	-	414
Miscellaneous	325	-	-	325
Contract Services, YMCA	3,600	-	-	3,600
Professional Memberships	1,383	-	-	1,383
Depreciation	2,553	-	-	2,553
Security & Alarm	229	-	-	229
Total Functional Expenses	<u>\$ 138,900</u>	<u>\$ 21,543</u>	<u>\$ 3,901</u>	<u>\$ 164,344</u>

See accompanying notes and accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 30,949	\$ 37,564
Adjustments to reconcile change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	2,553	2,553
Increase in Accounts Payable	-	(6,450)
Increase in Deferred Revenue	-	(27,000)
Cash Available For (Used in) Operating Activities	<u>33,502</u>	<u>6,667</u>
Beginning Cash and Cash Equivalents	58,260	51,593
Ending Cash and Cash Equivalents	<u>\$ 91,762</u>	<u>\$ 58,260</u>

See accompanying notes and accountant's review report.

MEDIATION SERVICES FOR ANOKA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009 and 2008

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:

The accounting policies of Mediation Services for Anoka County conform to accounting principles generally accepted in the United States of America as applicable to non-profit organizations. The significant accounting policies are as follows:

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, 2009 and 2008.

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.

MEDIATION SERVICES FOR ANOKA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009 and 2008

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.

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 2009, one donor provided 20.8%, and two other donors provided 14.3% and 13.2% of the total receipts of the Organization, respectively. In 2008, one donor provided 21.3% of the total receipts of the Organization; and two other donors provided 14.2% and 12.1%, 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, 2009 and 2008

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>	
2010	20,017
2011	21,018
2012	<u>22,069</u>
Totals	<u>\$ 63,104</u>

NOTE 6: RELATED PARTY TRANSACTIONS:

There are no related party transactions to disclose.

NOTE 7: COMMITMENTS AND CONTINGENCIES:

Litigation and Claims. There are no pending or threatened litigation against Mediation Services for Anoka County.

NOTE 8: SUBSEQUENT EVENTS:

There were no subsequent events that would materially impact the accompanying financial statements.

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	-
	<hr/>	<hr/>	<hr/>
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, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue and Support:			
Governmental Units	\$ 116,688	\$ 117,900	\$ (1,212)
United Way	40,577	40,000	577
Contributions	7,954	7,500	454
Mediation Fees	16,157	15,000	1,157
Foundations	8,000	10,000	(2,000)
Workshops and Training	5,880	5,000	880
Interest Income	36	500	(464)
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Total Revenue and Support	<u>\$ 195,292</u>	<u>\$ 195,900</u>	<u>\$ (608)</u>
Expenses:			
Salaries	\$ 98,779	\$ 106,500	\$ 7,721
Payroll Taxes	7,944	8,550	606
Employee Benefits	13,324	15,144	1,820
Workers' Compensation	428	450	22
Rent	18,620	19,065	445
Telephone	2,727	2,640	(87)
Staff Development	463	500	37
Mileage	1,022	650	(372)
Postage	997	1,500	503
Printing	1,007	1,000	(7)
Volunteer Training	92	500	408
Trainers	900	500	(400)
Volunteer Appreciation	629	250	(379)
Advertising and Promotion	264	400	136
Website	1,031	2,000	969
Insurance	327	325	(2)
Supplies	2,957	3,500	543
Accounting & Payroll Service	3,552	3,560	8
Copier	777	500	(277)
Board Development	414	250	(164)
Miscellaneous	325	700	375
Computer Technician	0	500	500
Contract Services, YMCA	3,600	3,600	-
Professional Memberships	1,383	1,500	117
Security Systems	229	0	(229)
Depreciation	2,553	2,553	-
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Total Expenses	<u>\$ 164,344</u>	<u>\$ 176,637</u>	<u>\$ 12,293</u>

See accompanying notes and accountant's review report.