

**VOLUNTEER CENTER OF LUBBOCK, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020**

**AND**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**VOLUNTEER CENTER OF LUBBOCK, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020**

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

**CERTIFIED PUBLIC ACCOUNTANTS**

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**Independent Auditor's Report**

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

**Opinion**

We have audited the accompanying financial statements of Volunteer Center of Lubbock, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteer Center of Lubbock, Inc. as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Volunteer Center of Lubbock, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Volunteer Center of Lubbock, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Volunteer Center of Lubbock, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Volunteer Center of Lubbock, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Report on Summarized Comparative Information**

We have previously audited Volunteer Center of Lubbock, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Accompanying Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules of Comparison of Revenue and Expenses to Budget – Current Funds – Without Donor Restrictions and Reconciliation of Actual Revenue and Expenses for Current Funds – Without Donor Restrictions per Exhibit B to Actual Revenue and Expenses for Budget Purposes are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

*Bulinger, Secars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

February 22, 2022

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VOLUNTEER CENTER OF LUBBOCK, INC.

Exhibit A

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020**

	<b>ASSETS</b>			
	Without Donor Restrictions	With Donor Restrictions	December 31,	
			2021	2020
<b>Current Assets</b>				
Cash in Bank	\$ 340,430	\$ 171,196	\$ 511,626	\$ 400,962
Cash in Bank - Endowment		43,212	43,212	28,221
Certificates of Deposit	225,149		225,149	319,153
Accounts Receivable	11	51,300	51,311	60,000
Other Current Assets	951		951	1,451
<b>Total Current Assets</b>	<u>\$ 566,541</u>	<u>\$ 265,708</u>	<u>\$ 832,249</u>	<u>\$ 809,787</u>
<b>Non-Current Assets</b>				
<b>Fixed Assets</b>				
Furniture and Equipment	\$ 54,847	\$	\$ 54,847	\$ 62,388
Less: Accumulated Depreciation	48,380		48,380	55,306
<b>Total Fixed Assets</b>	<u>\$ 6,467</u>	<u>\$ 0</u>	<u>\$ 6,467</u>	<u>\$ 7,082</u>
Endowment Fund - Long-Term Investments	\$	\$ 1,485,049	\$ 1,485,049	\$ 1,353,204
<b>Total Non-Current Assets</b>	<u>\$ 6,467</u>	<u>\$ 1,485,049</u>	<u>\$ 1,491,516</u>	<u>\$ 1,360,286</u>
<b>Total Assets</b>	<u>\$ 573,008</u>	<u>\$ 1,750,757</u>	<u>\$ 2,323,765</u>	<u>\$ 2,170,073</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts Payable and Other Accrued Liabilities	\$ 46,373	\$ 0	\$ 46,373	\$ 31,398
<b>Total Current Liabilities</b>	<u>\$ 46,373</u>	<u>\$ 0</u>	<u>\$ 46,373</u>	<u>\$ 31,398</u>
Deferred Revenue	\$ 12,421	\$ 0	\$ 12,421	\$ 37,331
<b>Net Assets</b>				
<b>Without Donor Restrictions</b>				
Undesignated	\$ 496,557	\$	\$ 496,557	\$ 450,980
Board Designated	11,190		11,190	17,190
Net Investment in Fixed Assets	6,467		6,467	7,082
<b>With Donor Restrictions</b>		1,750,757	1,750,757	1,626,092
<b>Total Net Assets</b>	<u>\$ 514,214</u>	<u>\$ 1,750,757</u>	<u>\$ 2,264,971</u>	<u>\$ 2,101,344</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 573,008</u>	<u>\$ 1,750,757</u>	<u>\$ 2,323,765</u>	<u>\$ 2,170,073</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, 2021  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	December 31,	
			2021	2020
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public Support				
Received Indirectly				
United Way of Lubbock	\$ 197,447	\$	\$ 197,447	\$ 198,903
Received Directly				
Fund Raising	84,600		84,600	36,564
Donations	57,363		57,363	16,338
	<u>\$ 339,410</u>	<u>\$ 0</u>	<u>\$ 339,410</u>	<u>\$ 251,805</u>
<b>GRANTS</b>				
CH Foundation	\$	\$ 167,150	\$ 167,150	\$ 79,200
Helen Jones Foundation		51,300	51,300	60,000
Talkington Foundation				20,000
HYPE Program	12,350	3,600	15,950	2,750
	<u>\$ 12,350</u>	<u>\$ 222,050</u>	<u>\$ 234,400</u>	<u>\$ 161,950</u>
<b>FEES AND OTHER REVENUE</b>				
Activity - Seminars/Workshops	\$ 17,285	\$	\$ 17,285	\$ 18,885
Interest Earned	5,461		5,461	6,732
Endowment Income		198,409	198,409	186,683
PPP Loan Forgiveness				66,800
Other	4,200		4,200	8,282
	<u>\$ 26,946</u>	<u>\$ 198,409</u>	<u>\$ 225,355</u>	<u>\$ 287,382</u>
<b>Net Assets Released from Restrictions</b>				
CH Foundation Grant	\$ 184,221	\$ (184,221)	\$	\$
Helen Jones Foundation	54,263	(54,263)		
Endowment Fund	57,310	(57,310)		
	<u>\$ 295,794</u>	<u>\$ (295,794)</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Total Support and Revenue</b>	<u>\$ 674,500</u>	<u>\$ 124,665</u>	<u>\$ 799,165</u>	<u>\$ 701,137</u>
<b>EXPENSES</b>				
Program Services	\$ 601,775	\$	\$ 601,775	\$ 613,106
Management and General	29,389		29,389	29,132
Fund Raising	4,374		4,374	4,172
Total Expenses	<u>\$ 635,538</u>	<u>\$ 0</u>	<u>\$ 635,538</u>	<u>\$ 646,410</u>
<b>CHANGE IN NET ASSETS</b>	\$ 38,962	\$ 124,665	\$ 163,627	\$ 54,727
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>475,252</u>	<u>1,626,092</u>	<u>2,101,344</u>	<u>2,046,617</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 514,214</u>	<u>\$ 1,750,757</u>	<u>\$ 2,264,971</u>	<u>\$ 2,101,344</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, 2021  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	December 31,	
	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 163,627	\$ 54,727
Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities		
Depreciation	3,813	7,822
Changes in Operating Assets and Liabilities		
Accounts Receivable - Other	(11)	8,644
Accounts Receivable - Restricted	8,700	85,950
Net Investment Activity	(198,409)	(186,683)
Other Assets	500	17,300
Accounts Payable and Accrued Expenses	14,975	1,412
Deferred Revenue	<u>(24,910)</u>	<u>32,914</u>
Net Cash From Operating Activities	<u>\$ (31,715)</u>	<u>\$ 22,086</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Equipment	\$ (3,198)	\$ (2,476)
Endowment Distributions	57,310	53,487
Proceeds from Sale of Investments	225,549	236,481
Purchases of Investments	<u>(216,295)</u>	<u>(250,723)</u>
Net Cash From Investing Activities	<u>\$ 63,366</u>	<u>\$ 36,769</u>
<b>NET CHANGE IN CASH</b>	<b>\$ 31,651</b>	<b>\$ 58,855</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b><u>748,336</u></b>	<b><u>689,481</u></b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u><u>\$ 779,987</u></u></b>	<b><u><u>\$ 748,336</u></u></b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for:		
Interest	<u>\$ 0</u>	<u>\$ 0</u>
Income Taxes	<u>\$ 0</u>	<u>\$ 0</u>

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, 2021  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fund Raising	December 31,	
				2021	2020
Salaries and Benefits	\$ 330,783	\$ 16,116	\$ 2,050	\$ 348,949	\$ 356,775
Payroll Taxes	28,095	1,369	174	29,638	29,198
<b>Total Salaries and Related Expense</b>	<b>\$ 358,878</b>	<b>\$ 17,485</b>	<b>\$ 2,224</b>	<b>\$ 378,587</b>	<b>\$ 385,973</b>
Supplies	20,188	115	75	20,378	21,032
Volunteer Program Awards	57,345			57,345	47,569
Seminars/Workshops Expense	52,197			52,197	71,695
Telephone	4,793	139	18	4,950	4,380
Postage and Shipping	2,202	46	996	3,244	3,587
Occupancy	10,329	503	64	10,896	10,896
Equipment Repairs	438	21	3	462	413
Printing and Publications	12,300	208	26	12,534	11,950
Dues	3,112			3,112	3,313
Conferences and Travel	18,786	116		18,902	12,309
Insurance	2,059	100	13	2,172	2,140
Contract Services		9,950		9,950	9,611
United Way Division Expenses	4,703			4,703	3,934
Nonprofit Fellows	4,000			4,000	4,000
Marketing	6,108	297	38	6,443	5,200
Website Expenses	4,740	231	29	5,000	4,991
Agency Partner Support	744			744	750
HYPE Expenses	30,163			30,163	29,301
Other	4,930	125	888	5,943	5,544
<b>Total Before Depreciation</b>	<b>\$ 598,015</b>	<b>\$ 29,336</b>	<b>\$ 4,374</b>	<b>\$ 631,725</b>	<b>\$ 638,588</b>
Depreciation of Equipment	3,760	53		3,813	7,822
<b>Total Expenses</b>	<b>\$ 601,775</b>	<b>\$ 29,389</b>	<b>\$ 4,374</b>	<b>\$ 635,538</b>	<b>\$ 646,410</b>

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 33.33% per year. Office furniture and equipment cost at December 31, 2021 is \$54,847 and accumulated depreciation is \$48,380. Depreciation expense for the year is \$3,813. Donated fixed assets are valued at fair market value at the time they are received.

**Financial Statement Presentation**

The Center is required to classify net assets and revenues, expenses, and gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Net assets with donor restrictions:** Net assets subject to donor-(or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Net assets without donor restrictions:** Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, or invested in property and equipment.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

**VOLUNTEER CENTER OF LUBBOCK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Functional Allocation of Expenses**

The costs of providing programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and various conferences, which are based on utilization, as well as salaries and related expenses, supplies, telephone, postage and shipping, occupancy, repairs, printing, insurance, marketing, website expenses, and other expenses which are allocated on estimates of time and effort.

**Comparative Totals**

The financial information for the year ended December 31, 2020 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 its 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 2018.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

Fair Value Investments

Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The standard also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. These levels, defined by the valuation techniques, are described below:

Level 1 – Inputs include quoted prices in active markets for identical assets.

Level 2 – Inputs include available indirect information, such as quoted prices for similar assets in active markets, or quoted prices for identical or similar assets in markets that are not active.

Level 3 – Inputs are subjective and generally based on the entity’s own assumptions on how knowledgeable parties would price assets and are developed using the best information available in the circumstances.

See Note 3 for a detail of Endowment Investments and their fair value.

2. Accounts Receivable

Accounts receivable consists of amounts due from the following organization:

Helen Jones Foundation	\$	51,300
Other Receivables		11
	\$	<u>51,311</u>

3. Investments

The Helen Devitt Jones Education Endowment consists of long-term investments in mutual funds. Values in these Investments and accumulated unrealized gains or losses are shown below:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain</u>	<u>Investment Level</u>
Helen Devitt Jones Education Endowment				
Mutual Funds	\$ <u>1,047,616</u>	\$ <u>1,485,049</u>	\$ <u>437,433</u>	1

See Note 1 regarding a discussion on fair value investments. For the year ended December 31, 2021, unrealized gains of \$142,335 were recorded on the statement of activities. Expenses related to management of the funds were \$10,347 for the year ended December 31, 2021.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

4. Endowment Fund

The Center's endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted endowments are classified as net assets with donor restrictions.

Balance as of 1/1/2021	\$	1,381,425
Released from Restriction		(57,310)
Contributions		5,737
Investment Income		26,200
Realized Gains		40,221
Unrealized Gains		142,335
Investment Fees		(10,347)
Balance as of 12/31/2021	\$	<u>1,528,261</u>

Endowment funds are currently invested as follows as of December 31, 2021:

Cash in Bank - Endowment	\$	43,212
Long Term Investments		<u>1,485,049</u>
	\$	<u>1,528,261</u>

Interpretation of Relevant Law

The Center's management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) The duration and preservation of the fund, (2) The purposes of the organization and the donor-restricted endowment fund, (3) General economic conditions, (4) The possible effect of inflation and deflation, and (5) The expected total return from income and the appreciation of investments.

**VOLUNTEER CENTER OF LUBBOCK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**5. Endowment Investment Objectives and Distribution Policy**

The Volunteer Center of Lubbock, Inc. Helen Devitt Jones Education Endowment was established in January 2013, with a grant, in trust, from the Helen Jones Foundation in the amount of \$600,000. An additional \$250,000 was granted in November 2013, an additional \$75,000 was granted in December 2016, an additional \$250,000 was granted in August 2017, and an additional \$11,000 was granted in December 2017. During the year ended December 31, 2021, unused grant proceeds from the Helen Jones Foundation of \$5,737 were approved to be transferred to the endowment. As of December 31, 2021, \$1,528,261 is invested in various restricted investments.

The objective is to preserve real purchasing power by seeking long-term returns that either match or exceed the distribution rate plus inflation. The Trust views the Center's endowment as permanent. The Trust therefore places greater significance on projections of long-term market performance than on short-term market reversals. The general policy diversifies investments within both equity and fixed-income securities to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class of investment category.

The current policy is to annually distribute five percent of the Helen Devitt Jones Education Endowment based on the trailing 36 month average of the endowment's investment portfolio balance, with the expectation that, over time, the total real return (return net of inflation) from investments will exceed the endowment's pay-out rate, thus allowing for real growth of endowment assets. The percentage of distribution is determined by the Board of Trustees and will be reviewed annually for appropriateness in the then-current economic conditions.

The distribution amount is \$62,783 based on the year ended December 31, 2021 value to be used for restricted purposes beginning on January 1, 2022. The \$62,783 distribution for the year ended December 31, 2021 to be paid in 2022 will be reduced by the unused endowment grant proceeds from Helen Jones Foundation of \$7,613 for a net distribution of \$55,170. 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 Jones Foundation Board of Directors.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

**6. Revenue from Contracts with Customers**

The Center has adopted *Revenue from Contracts with Customers*, Topic 606 (ASU No. 2014-09).

The Center recognizes revenue from fundraising events at the time of the event. Revenue for any events or sponsorships that have not occurred prior to December 31, 2021 are included in deferred revenues below. All other performance obligations have been met as of December 31, 2021.

Deferred revenue in net assets without donor restrictions represents money received in the current period for fundraising events and sponsorships for the next fiscal year. Deferred revenues consisted of the following at December 31, 2021:

Deferred Golf Fees	\$	1,500
Deferred Sponsorships		<u>10,921</u>
	\$	<u><u>12,421</u></u>

**7. Net Assets with Donor Restrictions**

At December 31, 2021, net assets with donor restrictions consisted of the following:

	Balance 1/1/21	Proceeds/ Allocation Received	Released From Restrictions	Grant Proceeds Reallocated	Balance 12/31/21
Subject to expenditure for specified purpose:					
Helen Jones Foundation	\$ 60,000	\$ 51,300	\$ (54,263)	\$ (5,737)	\$ 51,300
CH Foundation - Youth	184,667	167,150	(184,221)		167,596
HYPE Income		3,600			3,600
	<u>\$ 244,667</u>	<u>\$ 222,050</u>	<u>\$ (238,484)</u>	<u>\$ (5,737)</u>	<u>\$ 222,496</u>
Subject to the Center's spending policy and appropriation:					
Helen Jones Endowment Restricted in Perpetuity	\$ 1,381,425	\$ 198,409	\$ (57,310)	\$ 5,737	\$ 1,528,261
	<u>\$ 1,626,092</u>	<u>\$ 420,459</u>	<u>\$ (295,794)</u>	<u>\$ 0</u>	<u>\$ 1,750,757</u>

**8. Net Assets without Donor Restrictions – Board Designated**

During the year ended December 31, 2014, the Board designated \$17,190 to be spent on marketing funds in 2015. During the year ended December 31, 2021, \$6,000 was spent on marketing and was released from board designated net assets. The remaining balance of the Board designated funds to be spent on marketing is \$11,190 as of December 31, 2021.

**VOLUNTEER CENTER OF LUBBOCK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**9. Liquidity and Availability of Financial Assets**

The following reflects the Center's financial assets as of December 31, 2021, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

Cash in Bank	\$	511,626
Cash in Bank - Endowment		43,212
Certificates of Deposit		225,149
Accounts Receivable		51,311
Other Current Assets		951
Fixed Assets		6,467
Endowment Fund - Long Term Investments		<u>1,485,049</u>
Total Financial Assets	\$	2,323,765
Less contractual or donor-imposed restrictions:		
Cash Restricted		(171,196)
Accounts Receivable Restricted		(51,300)
Other Current Assets		(951)
Endowment Fund Investments		(1,528,261)
Net Investment in Fixed Assets		(6,467)
Board-Designated Net Assets		<u>(11,190)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$	<u><u>554,400</u></u>

Volunteer Center of Lubbock, Inc. is supported by contributions and grants. Some funds have donor restriction requirements to be used in a particular manner or in a future period. Volunteer Center of Lubbock, Inc. must maintain sufficient resources to meet those responsibilities to its donors. Thus, some financial assets may not be available for general expenditure within one year. As part of the Volunteer Center of Lubbock, Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Volunteer Center of Lubbock, Inc. invests cash in certificates of deposit and interest-bearing accounts with rates similar to certificates of deposit. Previously, the board designated a portion of operating surplus to the board designated fund, which was \$11,190 as of December 31, 2021.



**VOLUNTEER CENTER OF LUBBOCK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**10. Leases**

The Center is leasing photocopying equipment through an operating lease. The terms of the lease call for monthly payments of \$297 over 60 months. Lease expense for the year ended December 31, 2021, totaled \$6,248. The following represents future minimum lease payments:

2022	\$	3,563
2023		3,563
2024		3,563
2025		<u>2,672</u>
	\$	<u><u>13,361</u></u>

**11. Subsequent Events**

The Center has evaluated subsequent events through February 22, 2022, the date which the financial statements were available to be issued.

**ACCOMPANYING INFORMATION**

VOLUNTEER CENTER OF LUBBOCK, INC.

Schedule I

COMPARISON OF REVENUE AND EXPENSES TO BUDGET  
CURRENT FUNDS - WITHOUT DONOR RESTRICTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Actual	Budget	Variance Favorable (Unfavorable)
<b>SUPPORT AND REVENUE</b>			
Public Contributions	\$ 57,363	\$ 31,000	\$ 26,363
Fundraising	84,600	90,000	(5,400)
United Way	197,447	195,135	2,312
Other Grants	250,834	273,911	(23,077)
Endowment Distribution	57,310	57,310	
Seminars/Workshops	17,285	16,775	510
Interest Earned	5,461	6,000	(539)
Other	4,200	10,000	(5,800)
Total Support and Revenue	<u>\$ 674,500</u>	<u>\$ 680,131</u>	<u>\$ (5,631)</u>
<b>EXPENSES</b>			
Salaries and Benefits	\$ 348,949	\$ 364,941	\$ 15,992
Payroll Taxes	29,638	31,120	1,482
Supplies	20,378	21,372	994
Volunteer Program Awards	57,345	57,250	(95)
Seminars/Workshops Expense	52,197	59,810	7,613
Telephone	4,950	4,950	
Postage and Shipping	3,244	3,254	10
Occupancy	10,896	10,900	4
Equipment Repairs	462	500	38
Printing and Publications	12,534	12,505	(29)
Dues	3,112	3,500	388
Conferences and Travel	18,902	19,049	147
Insurance	2,172	2,500	328
Contract Services	9,950	9,700	(250)
United Way Division Expenses	4,703	4,700	(3)
Nonprofit Fellows	4,000	4,000	
Marketing	6,443	17,190	10,747
Website Expenses	5,000	5,000	
Agency Partner Support	744	750	6
HYPE Expenses	30,163	36,000	5,837
Other	5,943	11,140	5,197
Total Expenses	<u>\$ 631,725</u>	<u>\$ 680,131</u>	<u>\$ 48,406</u>
Total Support and Revenue Over Expenses	<u>\$ 42,775</u>	<u>\$ 0</u>	<u>\$ 42,775</u>

**VOLUNTEER CENTER OF LUBBOCK, INC.**

**Schedule II**

**RECONCILIATION OF ACTUAL REVENUE AND EXPENSES  
FOR CURRENT FUNDS - WITHOUT DONOR RESTRICTIONS PER EXHIBIT B  
TO ACTUAL REVENUE AND EXPENSES FOR BUDGET PURPOSES  
FOR YEAR ENDED DECEMBER 31, 2021**

**SUPPORT AND REVENUE**

Total Support and Revenue - Exhibit B - Without Donor Restrictions	\$ <u>674,500</u>
Total Support and Revenue - Schedule I	\$ <u><u>674,500</u></u>

**EXPENSES**

Expenses - Exhibit B	\$ 635,538
Less: Depreciation of Equipment	<u>3,813</u>
Total Expenses - Schedule I	\$ <u><u>631,725</u></u>



