

COLLINS BLAY & CO.

VOLUNTEER & INFORMATION KINGSTON

**FINANCIAL STATEMENTS
WITH AUDITORS' REPORT**

JUNE 30, 2008



Chartered Accountants

AUDITORS' REPORT

To: The Board of Directors
Volunteer & Information Kingston

We have audited the statement of financial position of Volunteer & Information Kingston as at June 30, 2008 and the statements of revenue and expenditures, changes in net assets and cash flows for the year 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 audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in 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.

In common with many not-for-profit organizations, the organization derives revenue from fund raising, donations, memberships, sales and other events and services, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fund raising, donations, memberships, sales and other events and services revenue, excess revenue over expenditures and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Volunteer & Information Kingston as at June 30, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kingston, Ontario
September 16, 2008

Chartered Accountants
Licensed Public Accountants

COLLINS BLAY & CO.**VOLUNTEER & INFORMATION KINGSTON****STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2008**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current		
Cash	\$ 40,671	\$ 38,174
Investments - Note 2	40,417	140,703
GST recoverable	-	1,584
Other receivables	5,562	5,503
Prepaid expenses	<u>2,964</u>	<u>1,189</u>
	<u>\$ 89,614</u>	<u>\$ 187,153</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 26,948	\$ 29,243
Deferred revenue - Note 3	<u>-</u>	<u>31,055</u>
	<u>26,948</u>	<u>60,298</u>
NET ASSETS		
Internally restricted - Mahue bequest - Note 4	-	19,671
Internally restricted - Contingency fund - Note 4	50,000	50,000
Internally restricted - Future capital fund - Note 4	-	7,472
Internally restricted - Premises fund - Note 4	12,666	30,000
Unrestricted	<u>-</u>	<u>19,712</u>
	<u>62,666</u>	<u>126,855</u>
	<u>\$ 89,614</u>	<u>\$ 187,153</u>
Approved on behalf of the Board		
_____	Director	
_____	Director	

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

COLLINS BLAY & CO.

VOLUNTEER & INFORMATION KINGSTON

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

	2008					
	Internally restricted				Unrestricted	Total
	Mahue Bequest	Contingency Fund	Future Capital Fund	Premises Fund		
Balance - beginning of the year	\$ 19,671	\$ 50,000	\$ 7,472	\$ 30,000	\$ 19,712	\$ 126,855
Excess expenditures for the year	(19,671)	-	(7,472)	(17,334)	(19,712)	(64,189)
Balance - end of the year	\$ -	\$ 50,000	\$ -	\$ 12,666	\$ -	\$ 62,666

	2007					
	Internally restricted				Unrestricted	Total
	Mahue Bequest	Contingency Fund	Future Capital Fund	Premises Fund		
Balance - beginning of the year	\$ 19,671	\$ 50,000	\$ 20,000	\$ -	\$ 26,338	\$ 116,009
Excess (expenditures) revenue for the year	-	-	(12,528)	-	23,374	10,846
Transfers	-	-	-	30,000	(30,000)	-
Balance - end of the year	\$ 19,671	\$ 50,000	\$ 7,472	\$ 30,000	\$ 19,712	\$ 126,855

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

COLLINS BLAY & CO.**VOLUNTEER & INFORMATION KINGSTON
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>2008</u>	<u>2007</u>
Revenue		
Grants - Ontario Ministry of Training, Colleges and Universities	\$ 3,519	\$ 13,123
Ontario Ministry of Citizenship and Immigration	7,161	74,000
United Way	59,725	59,774
Trillium Foundation	37,200	-
Other - Note 5	22,640	20,800
Donations	12,122	8,736
Fund raising	22,825	18,911
Broadcast fax revenue	2,372	1,794
Income tax clinic	5,364	5,227
Information contracts	28,923	16,417
Information publications	61,121	39,217
Interest and other	6,324	5,220
Memberships	7,566	12,590
Rent and expense recovery	462	7,919
Training and seminars	5,053	16,841
	<u>282,377</u>	<u>300,569</u>
Expenditures		
Bad debts	-	6,460
Bank charges	1,691	790
Community events and marketing	10,269	12,131
Computer equipment	-	18,098
Fund raising	15,335	8,119
Income tax clinic	2,269	2,358
Information contracts	5,817	5,573
Information publications	19,138	11,123
Insurance	3,246	5,779
Leasehold improvements and furnishings	33,470	40,584
Material and literature	1,413	269
Office and miscellaneous	24,656	14,305
Professional fees	4,813	2,704
Rent	16,147	12,570
Salaries, benefits and contracts	190,116	128,294
Telephone and equipment	13,202	6,608
Travel and development	4,984	3,243
Volunteer support and recognition	-	1,092
Workshops and seminars	-	9,623
	<u>346,566</u>	<u>289,723</u>
Excess (expenditures) revenue for the year	<u>\$ (64,189)</u>	<u>\$ 10,846</u>

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

COLLINS BLAY & CO.**VOLUNTEER & INFORMATION KINGSTON****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Excess (expenditures) revenue for the year	\$ (64,189)	\$ 10,846
Item not requiring cash:		
Amortization of bond premium	<u>286</u>	<u>241</u>
	<u>(63,903)</u>	<u>11,087</u>
Net changes in non-cash working capital		
GST recoverable	1,584	(1,390)
Other receivables	(59)	(321)
Prepaid expenses	(1,775)	74
Accounts payable and accrued liabilities	(2,295)	20,402
Deferred revenue	<u>(31,055)</u>	<u>30,410</u>
	<u>(33,600)</u>	<u>49,175</u>
Cash flows from operating activities	<u>(97,503)</u>	<u>60,262</u>
Cash flows from investing activities		
Purchase of investments	-	(80,000)
Proceeds from sale of investments	<u>100,000</u>	<u>26,363</u>
Cash flows from investing activities	<u>100,000</u>	<u>(53,637)</u>
Net increase in cash for the year	2,497	6,625
Cash at the beginning of the year	<u>38,175</u>	<u>31,550</u>
Cash at the end of the year	<u>\$ 40,672</u>	<u>\$ 38,175</u>

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

VOLUNTEER & INFORMATION KINGSTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

Volunteer & Information Kingston is incorporated under the laws of the province of Ontario as a not-for-profit corporation and is a registered charity under the Income Tax Act of Canada.

The purpose of the organization is to promote and encourage volunteerism in the community by acting as a central resource and support to individuals and organizations involved with volunteerism in the Kingston, Napanee, Frontenac County and Lennox and Addington County. The organization provides up-to-date information to the general public, not-for-profit organizations and service providers through a community help line, an online database and printed directories including "Where to Turn".

Effective November 9, 2007, the organization changed its name from Volunteer Kingston to Volunteer & Information Kingston.

1. Accounting policies

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

a) Capital assets

Capital assets are charged to expenditures on acquisition. Capital assets held include leasehold improvements related to the office space in the City of Kingston and Town of Napanee, furniture, office equipment and computer equipment. During the year, leasehold improvements, furniture and computer equipment of \$33,470 (2007 - \$58,682) were acquired. These amounts are included in expenditures in the statement of revenue and expenditures.

b) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fund raising and training and seminar revenues are recognized when the event occurs.

Broadcast fax and information contract revenue is recognized when the service is rendered.

Information publication revenue is recognized when the publication is sold.

Membership, income tax clinic and donation revenues are recognized when received.

c) Donated services

The work of the organization is dependent on the voluntary services of many members. Since these services are not normally purchased by the organization and because of the difficulty of determining fair market value, donated services are not recognized in the financial statements.

COLLINS BLAY & CO.

VOLUNTEER & INFORMATION KINGSTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

2. Investments

Investments consist of bonds and are recorded at amortized cost. The fair market value at June 30, 2008 was \$41,599 (2007 - \$143,193).

The effective interest rate on the investments during the year varied from 6.15% to 6.2% (2007 - 3.4% to 6.2%). The investments mature between November, 2009 and September, 2010.

3. Deferred revenue

Deferred revenue consists of:

	<u>2008</u>	<u>2007</u>
Human Resources and Social Development Canada	\$ -	\$ 20,000
211Ontario.ca	-	11,055
	<u>\$ -</u>	<u>\$ 31,055</u>

4. Internally restricted funds

Mahue Bequest

Volunteer Kingston received a bequest in previous years. A portion of this bequest was set aside by the Board of Directors and invested in bonds. The interest and principal were used to assist in financing the operations of the organization over several years.

Contingency Fund

Volunteer Kingston has internally restricted funds to be used in future years when funding does not reach the required level to operate the organization.

Future Capital Fund

Volunteer Kingston has internally restricted \$20,000 to be used to fund future capital purchases. During the year, \$7,472 (2007 - \$12,528) was spent out of this fund.

Premises Fund

Volunteer Kingston has internally restricted \$30,000 to be used to fund future improvements to its premises. During the year, \$17,334 (2007 - nil) was spent out of this fund.

COLLINS BLAY & CO.

VOLUNTEER & INFORMATION KINGSTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

5. Other grants

Other grants consist of the following:

	<u>2008</u>	<u>2007</u>
Kingston Youth Employment Services	\$ 2,640	\$ -
Human Resources and Social Development Canada	20,000	5,000
Volunteer Canada	-	10,000
F. K. Morrow Foundation	-	1,800
Imagine Canada	-	4,000
	<u>\$ 22,640</u>	<u>\$ 20,800</u>

6. Lease commitments

The organization is committed a lease for premises. Monthly payments are \$1,038 and the lease expires June, 2012.

7. Financial instruments

a) Concentration of credit risk

The organization does not have a significant exposure to any individual customer or counter party. The organization has a large customer base that is not concentrated in any particular industry.

b) Fair value

The fair values of cash, other receivables and accounts payable and accrued liabilities are approximately equal to their carrying values due to their short-term maturity dates.

c) Financial market risk

The organization is exposed to market risks relating to interest rate. The interest rate risk is derived from potential changes in the fair market value of the organization's bond portfolio. The organization monitors this risk on an on-going basis.

8. Comparative amounts

Certain comparative amounts have been reclassified in order to conform with the financial statement presentation adopted in the current year.