

**VOLUNTEER CENTER OF GREATER
ORANGE COUNTY
(dba OneOC)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2011

WITH

INDEPENDENT AUDITORS' REPORT

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

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ORGANIZATIONAL DATA



OneOC Mission: Accelerating Nonprofit Success

Message from the President & CEO, and Board Chair

On September 15, 2010, the 52-year old Volunteer Center Orange County began doing business as OneOC. Along with our mission, “Accelerating Nonprofit Success,” OneOC better reflects who we are and how we serve. With volunteer, training, consulting and business services, OneOC helps Orange County’s nonprofits become as effective and efficient as they are passionate about their missions.

During the last five years, we substantially expanded our capacity and expertise offering the following array of services under “one umbrella” organization:

Volunteer Services connected 38,693 individual, families, and corporate volunteers in service, delivering 1,246,380 hours to nonprofits valued at \$29 million to our communities.

Training Services engaged 3,782 nonprofit board members, staff, and volunteers in 203 quality, affordable educational experiences focused on board excellence, leadership advancement, financial and human resource management, fundraising and marketing, volunteer management, and assessment, planning and evaluation.

Consulting Services matched OneOC senior staff and 20 affiliated consultants with 35 nonprofits in health, human services, education, arts, environment, and youth development organizations advancing their adaptive, leadership, management, and technical capacity to achieve their missions.

Business Services provided fiscal sponsorship for 23 projects with a total of 56 discreet community initiatives that operated under our corporate umbrella receiving accounting, human resources, and other back office support allowing them to focus on their mission activities.

We are pleased that these 2011 financial statements show our organization to be positioned to continue accelerating greater mission impact in our local nonprofit sector, building a stronger, more vibrant Orange County.

Additional information about us can be found on our website www.OneOC.org.

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Daniel J. McQuaid, OneOC President & CEO

.....
Michelle Jordan, OneOC Board Chair



Link Murrel & Chang, LLP

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Volunteer Center of Greater Orange County
(dba OneOC)
Santa Ana, California

We have audited the accompanying statement of financial position of Volunteer Center of Greater Orange County (dba OneOC) ("OneOC") (a California non-profit public benefit corporation) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of OneOC's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from OneOC's December 31, 2010 financial statements and, in our report dated May 25, 2011, we expressed an unqualified opinion on those financial statements.

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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OneOC as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Irvine, California
April 2, 2012

FINANCIAL STATEMENTS

VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)

STATEMENT OF FINANCIAL POSITION

December 31, 2011
(with summarized totals for 2010)

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Totals <u>2011</u>	Totals <u>2010</u>
Current Assets:				
Cash and cash equivalents	\$ 736,949	\$ 4,317,885	\$ 5,054,834	\$ 4,856,732
Accounts receivable	72,287	-	72,287	398,672
Grants receivable	-	333,544	333,544	823,692
Inventory - donated	1,570	5,228	6,798	16,969
Prepaid expenses	48,296	129,216	177,512	67,025
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	859,102	4,785,873	5,644,975	6,163,090
Property and Equipment, net	95,786	28,379	124,165	164,822
Other Assets - Deposits	-	2,895	2,895	16,402
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 954,888</u>	<u>\$ 4,817,147</u>	<u>\$ 5,772,035</u>	<u>\$ 6,344,314</u>
Current Liabilities:				
Capital lease payable - current portion	\$ 2,907	\$ -	\$ 2,907	\$ 4,360
Accounts payable	55,090	34,899	89,989	383,925
Accrued expenses	201,431	100,906	302,337	242,432
Grants payable	-	295,068	295,068	526,730
Deferred revenue	31,365	-	31,365	7,015
Deferred rent - current portion	4,163	-	4,163	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	294,956	430,873	725,829	1,164,462
Long-Term Liabilities:				
Capital lease payable - net of current portion	-	-	-	2,907
Deferred rent - net of current portion	22,450	-	22,450	26,603
	<hr/>	<hr/>	<hr/>	<hr/>
Total Long-Term Liabilities	22,450	-	22,450	29,510
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	317,406	430,873	748,279	1,193,972
Net Assets:				
Unrestricted	637,482	-	637,482	474,045
Temporarily restricted	-	4,386,274	4,386,274	4,676,297
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets	637,482	4,386,274	5,023,756	5,150,342
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 954,888</u>	<u>\$ 4,817,147</u>	<u>\$ 5,772,035</u>	<u>\$ 6,344,314</u>

See accompanying notes.

VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2011
(with summarized totals for 2010)

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Totals <u>2011</u>	Totals <u>2010</u>
Revenues and Other Support:				
Service fees	\$ 1,903,419	\$ 2,692	\$ 1,906,111	\$ 2,390,883
Contributions and grants	505,846	5,098,728	5,604,574	11,505,951
Government service contracts	281,286	3,413,391	3,694,677	1,579,463
Memberships	26,325	195,835	222,160	179,836
Special events, net of costs of direct benefits to donors of \$64,747 and \$49,288, respectively	144,554	19,950	164,504	161,319
Miscellaneous revenue	<u>8,098</u>	<u>6,371</u>	<u>14,469</u>	<u>10,703</u>
Total Revenues and Other Support	2,869,528	8,736,967	11,606,495	15,828,155
Net Assets Released from Restrictions	<u>8,868,219</u>	<u>(8,868,219)</u>	-	-
Total Revenues, Other Support and Net Assets Released from Restrictions	11,737,747	(131,252)	11,606,495	15,828,155
Expenses:				
Program services:				
Volunteer services	1,501,848	-	1,501,848	1,423,998
Training services	220,147	-	220,147	229,454
Consulting services	211,370	-	211,370	229,126
Business services	<u>8,766,296</u>	<u>-</u>	<u>8,766,296</u>	<u>10,266,475</u>
Total Program Services	10,699,661	-	10,699,661	12,149,053
Supporting services:				
Management and general	521,239	-	521,239	367,724
Fundraising	<u>353,410</u>	<u>-</u>	<u>353,410</u>	<u>393,835</u>
Total Supporting Services	874,649	-	874,649	761,559
Total Expenses	<u>11,574,310</u>	<u>-</u>	<u>11,574,310</u>	<u>12,910,612</u>
Increase (Decrease) in Net Assets	163,437	(131,252)	32,185	2,917,543
Net Assets, Beginning of Year	474,045	4,676,297	5,150,342	2,232,799
Transfer of assets to Illumination Foundation	<u>-</u>	<u>(158,771)</u>	<u>(158,771)</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 637,482</u>	<u>\$ 4,386,274</u>	<u>\$ 5,023,756</u>	<u>\$ 5,150,342</u>

See accompanying notes.

VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2011

(with summarized totals for 2010)

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ 32,185	\$ 2,917,543
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	54,829	41,167
Deferred rent	(4,153)	15,012
Donated property and equipment	(4,400)	(21,475)
Inventory - donated, net	10,171	76,914
Loss on disposition of property and equipment	-	856
(Increases) decreases in:		
Accounts receivable	212,132	(313,730)
Grants receivable	490,148	(75,724)
Prepaid expenses	(117,237)	15,045
Deposits	(611)	(13,277)
Increases (decreases) in:		
Accounts payable and accrued expenses	(234,031)	199,678
Grants payable	(231,662)	292,828
Deferred revenue	24,350	(2,759)
Refundable advances	4,163	(50,000)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	235,884	3,082,078
Cash Flows from Investing Activities:		
Purchases of property and equipment	(31,960)	(112,047)
Cash transfer to Illumination Foundation	(1,462)	-
	<hr/>	<hr/>
Net Cash Used in Investing Activities	(33,422)	(112,047)
Cash Flows from Financing Activities:		
Principal payments on capital lease payable	(4,360)	(4,360)
	<hr/>	<hr/>
Net Cash Used in Financing Activities	(4,360)	(4,360)
Net Increase in Cash and Cash Equivalents	198,102	2,965,671
Cash and Cash Equivalents, Beginning of Year	<hr/>	<hr/>
	4,856,732	1,891,061
Cash and Cash Equivalents, End of Year	<hr/>	<hr/>
	\$ 5,054,834	\$ 4,856,732
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 1,322	\$ 1,460
Noncash Financing and Investing Activities:		
Transfer of assets to Illumination Foundation	\$ 157,309	\$ -

See accompanying notes.

VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

(1) Organization and Nature of Business

Volunteer Center of Greater Orange County is a California nonprofit public benefit corporation established in 1958. After 52 years of building and growing, Volunteer Center of Greater Orange County outgrew its name. Effective September 15, 2010, the Volunteer Center of Greater Orange County began doing business as OneOC (“OneOC”). With Volunteer, Training, Consulting, and Business Services, a new name was needed to better describe its expanded offering and mission to accelerate nonprofit success. The organization continues to strongly believe in and will continue to provide volunteer resources. This exciting new identity better reflects who and what we are – a full-service, nonprofit resource center with an extensive offering of integrated services designed to help Orange County nonprofits reach their full potential.

OneOC is a professional service organization that accomplishes this goal with funding from private and public sources and delivers the following four services:

Volunteer Services for individuals, corporations, self-directed teams, and nonprofit organizations who want meaningful volunteer experiences that result in increased civic engagement.

Training Services for nonprofit employees and current and potential board members who want professional development that results in increased leadership and best practices.

Consulting Services for nonprofit organizations and leaders who want organizational change that results in mission growth and increased community impact.

Business Services for not-for-profit organizations, community projects of foundations, philanthropic collaborations, and social entrepreneurs who want fiscal sponsorship including non-profit incubation.

(2) Basis of Presentation

The financial statements of OneOC have been prepared on the accrual basis of accounting. OneOC recognizes contributions and grants received, including unconditional promises to give, as revenues in the period received.

Net assets, revenues, expenses, gains, and losses are classified based on the existence of or absence of donor-imposed restrictions. Accordingly, net assets, and changes therein, are classified and reported as follows:

Unrestricted net assets – These assets are not subject to donor-imposed stipulations. They represent the portion of expendable funds available for support of operations. It is also OneOC’s policy to show restricted contributions whose restrictions are met in the same reporting period as unrestricted contributions, except for contributions to business services.

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

(2) Basis of Presentation – (Continued)

Temporarily restricted net assets – Contributions restricted by donors for a particular program, fiscally sponsored projects, or time period are reported as temporarily restricted revenue when received. When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities. Starting in 2007, OneOC began receiving and disbursing temporarily restricted funds at the discretion and direction of the advisory committee for each of OneOC’s fiscally sponsored projects.

Permanently restricted net assets – These assets consist of donor-restricted funds for which the corpus is to be held in perpetuity and invested for purposes of producing present and future income that may be expended by OneOC. At December 31, 2011, OneOC did not have any permanently restricted net assets.

(3) Summary of Significant Accounting Policies

(a) 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 the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Cash and Cash Equivalents

OneOC considers highly liquid investments purchased with an original maturity of three months or less to be “cash equivalents.”

(c) Concentration of Credit Risk

OneOC’s cash is maintained in a commercial bank and consists of cash on deposit. At December 31, 2011, OneOC had cash in the bank in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits of approximately \$4,370,000.

(d) Accounts Receivable

OneOC provides an allowance for doubtful accounts that is based upon review of outstanding receivables. Management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

(e) Inventory

Inventory, consisting of gift certificates, is stated at fair value at the date received or market. Fair value is determined based on the dollar value assigned to each certificate.

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

(3) Summary of Significant Accounting Policies – (Continued)

(f) *Property and Equipment*

Property and equipment are recorded at cost, if purchased, or estimated fair value at the date of the donation, if donated. OneOC follows the practice of capitalizing all expenditures for property and equipment in excess of \$500 in aggregate. Depreciation is provided over their estimated useful lives using the straight-line method.

The useful life for computers and software is three years and furniture and equipment is five years.

(g) *Compensated Absences*

OneOC has a policy permitting employees to accumulate unused vacation benefits. Upon termination or retirement, unused vacation benefits will be paid at the employee's regular payroll rate. The balance of unused vacation benefits at December 31, 2011 was \$72,149 and is included in accrued expenses in the accompanying financial statements.

(h) *Deferred Revenue*

Deferred revenue consists of 1) membership dues that are recognized using the straight-line basis over twelve months, 2) training fees that are recognized when the classes have been taught, and 3) consulting fees that are recognized when the services have been performed.

(i) *Fair Value Measurements*

The carrying value of OneOC's cash and cash equivalents, accounts receivable, grants receivable, prepaid expenses, accounts payable, grants payable, accrued expenses, deferred rent, deferred revenue and deposits approximate their respective fair values due to their short maturities.

The recorded value of the capital lease payable approximates fair value as interest approximates market rates.

(j) *Sources of Revenue*

OneOC receives revenue from the following sources:

Service Fees

Revenues from each of the following programs are reported as "service fees" in the accompanying statement of activities.

- Training and Consulting - Individuals and organizations pay a service fee for OneOC's nonprofit training and professional consultation.

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

(3) Summary of Significant Accounting Policies – (Continued)

(j) Sources of Revenue - continued

Service Fees - continued

- Court Referral Program - Clients are charged a fee to be placed in appropriate sites where they can perform and obtain documentation of their court ordered community service.
- AmeriCorp VIP Program – Nonprofits pay a fee to OneOC to place an AmeriCorps member at their location for 12 months and to manage the program.
- Corporate Volunteer Projects – Corporations pay a fee to OneOC to develop and manage customized team volunteer projects for their employees.
- Business Services Program – Corporations, community funders, and organizers pay a service fee for OneOC’s fiscally sponsored project management.

Contributions and Grants

- Contributions and Grants – Revenue from contributions and grants are recognized when received and classified as unrestricted, temporarily restricted or permanently restricted based on donor specifications.
- In-kind Donations – OneOC recognizes the estimated fair value of contributed goods and services both as revenue and an offsetting expense or asset when required.

Government Service Contracts

- Federal - The Retired Senior Volunteer Program (RSVP) obtained expense reimbursement from a multi-year grant funded by the Corporation for National and Community Service, an independent federal agency. The Business Services Program obtained expense reimbursement from the Corporation for National and Community Service to provide stipends for The Foster Grandparent program.
- State – The California Department of Education contracted with OneOC to deliver student service learning technical assistance for the California Regional Service – Learning Network. The State of California contracted through the Napa County Office of Education to fund the AmeriCorps VIP Project which recruits, enrolls and supervise AmeriCorps members.

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

3) Summary of Significant Accounting Policies – (Continued)

(j) Sources of Revenue – continued

Government Service Contracts - continued

- County – The Children & Families Commission of Orange County, established by the statewide tobacco tax initiative (Proposition 10), contracted with OneOC to provide consulting services for its funded organizations and projects.
- Business Services Program – The following State and County agencies have provided funding to OneOC's fiscally sponsored projects: the County of Orange and the Children and Families Commission of Orange County.

Memberships

- OneOC receives membership dues from nonprofit organizations and individuals in exchange for discounts, premiums and services.
- OneOC also receives membership dues in its Business Services Program related to fiscally sponsored projects.

Special Events

- Special Events - Public support generated through fundraising activities and public recognition functions are reported as special events.

(k) Donated Materials, Facilities and Services

Contributions of donated noncash assets are recorded at estimated fair values at the date received. Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation, are recorded at the estimated fair values in the period received.

The value of donated surgical and outpatient services are included under Business Services. These donated services are provided by volunteer surgeons, anesthesiologists, nurses, other professionals, and also include hospital facilities at no cost to the patients served. The basis for estimating the values of these are based on estimates provided by the contributors for the same services provided in the normal course of business, where available, or at 130% of Medicare reimbursement rates in instances where contributor estimates are not available.

Additionally, a number of unpaid volunteers have made significant contributions of their time to OneOC. These volunteers perform such services as clerical duties and assistance with the administration of fund raising events. However, the value of these services is not reflected in these statements because the criteria for recognition have not been satisfied.

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

3) Summary of Significant Accounting Policies – (Continued)

(l) Functional Allocation of Expenses

Certain expenses for shared overhead and facilities (bank charges, outside services, photocopying, telephone, rent, etc.) are allocated by management to the four program services principally on the basis of direct program expenses.

(m) Income Taxes

OneOC is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code and is generally not subject to federal or state income taxes. However, OneOC is subject to income taxes on any net income that is derived from a trade or business regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision had been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the accompanying financial statements taken as a whole.

OneOC follows the accounting for uncertainty in income taxes recognized in a nonpublic entity's financial statements. It details how entities should recognize, measure, present, and disclose uncertain tax positions that have been or are expected to be taken. As such, financial statements will reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts. There was no impact to OneOC's financial statements as a result of these provisions.

(n) Subsequent Events

OneOC has evaluated subsequent events through April 2, 2012, the date the financial statements were available to be issued.

(4) Program Services

A description of OneOC's programs follows:

(a) Volunteer Services

Community Program – OneOC develops an array of meaningful volunteer activities, service learning experiences, and volunteer recognition for students, families, individuals, volunteer teams, and community based organizations.

Corporate Volunteer Program – OneOC partners with corporations to help them achieve their human resources and community relations goals through volunteer service planning and project management.

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

(4) Program Services – (Continued)

(a) *Volunteer Services - continued*

Court Referral Program – OneOC places clients, referred by the judicial system, to appropriate community services opportunities as an alternative to fines or jail sentences.

Disaster Services Program – OneOC coordinates spontaneous volunteers active in response to a disaster.

Retired Senior Volunteer Program (RSVP) – OneOC places, supports, and recognizes individuals ages 55 and older in community partner sites aligned with their particular skills and talents.

(b) *Training Services*

Training – OneOC offers a robust calendar of educational experiences with focus on board development, grant writing, volunteer management, and nonprofit leadership and organizational development.

Membership – OneOC assists nonprofit member organizations through volunteer and board recruitment, training discounts, and increased visibility.

(c) *Consulting Services*

Consultation – OneOC advises nonprofit leaders and organizations on strategic planning, business plans, board development, organizational development, fundraising, growth management, marketing, mergers, and social enterprises.

(d) *Business Services*

Fiscal Sponsorship – In 2007, OneOC began providing certain accounting, human resource, payroll and related services for various charitable projects funded by community entities that do not have current 501(c)(3) not-for profit status under the Internal Revenue Code but whose mission and activities are substantially related to the charitable, educational or other purposes that form the basis for OneOC's tax exemption. OneOC is the employer of record for any employees assigned to the projects. OneOC acts as the principal for substantially all of the transactions including receipt of cash for the fiscal sponsored projects or their activities as well as recording related income and expenses, all of which are included in OneOC's financial statements and tax returns. Amounts raised by certain fiscal sponsored projects are given out to different nonprofits to support the mission of the various projects. These amounts are included as grant expenses within the business services in the accompanying statement of activities, and payments to be distributed in subsequent fiscal years are recorded as grant payables. OneOC's fees for providing these services and related expenses are eliminated in OneOC's accompanying financial statements. Revenues and expenses related to fiscal sponsored projects amounted to \$8,698,267 and \$8,377,819, respectively, and are reflected in the accompanying financial statements for the year ended December 31, 2011.

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

(4) Program Services – (Continued)

(d) Business Services - continued

Expenses related to OneOC's other business services amounted to \$388,477 for the year ended December 31, 2011.

(5) Property and Equipment

Property and equipment consist of the following at December 31, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Computers and software	\$ 193,586	\$ 41,960	\$ 235,546
Furniture and equipment	<u>19,848</u>	<u>7,711</u>	<u>27,559</u>
	213,434	49,671	263,105
Less accumulated depreciation	<u>(117,648)</u>	<u>(21,292)</u>	<u>(138,940)</u>
Property and Equipment, net	<u>\$ 95,786</u>	<u>\$ 28,379</u>	<u>\$ 124,165</u>

(6) Inventory and Fair Value Measurements

OneOC follows the accounting policy that establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based on quoted prices for similar assets in active or inactive markets or quoted prices that are observable for the asset or inputs that are derived from observable market data by correlation or other means. Financial assets valued using level 3 inputs are based on valuation methodology that is unobservable and significant to the fair value measurement. Valuation techniques utilized to determine fair value are applied consistently. The fair value of the inventory measured on a recurring basis at December 31, 2011 is \$6,798 using level 2 input. The fair value of the inventory is determined based on the dollar value assigned to each unit.

VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

(7) Commitments and Contingencies

(a) Line of Credit

OneOC has a secured \$250,000 revolving line of credit with interest at 5.00% (the prime rate plus 1.75%) and a maturity date of May 1, 2012, which may be renewed. There was no balance owed under the line of credit at December 31, 2011. There was no interest expense for the year ended December 31, 2011.

(b) Capital Lease

OneOC leases phone equipment under a capital lease. The asset and liability under the capital lease are recorded at the present value of the future minimum lease payments. The lease requires a monthly payment of \$474 and expires in August 2012. The asset (less the residual value) is depreciated over the applicable term of the lease. Depreciation of the asset under the capital lease is included in depreciation expense. The current portion of this lease at December 31, 2011 is \$2,907.

The following is a summary of property held under capital lease at December 31, 2011:

Phone System	\$21,801
Less accumulated depreciation	<u>18,894</u>
Total	<u>\$ 2,907</u>

The future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2012	\$ 3,793
Less amount representing interest	<u>886</u>
Total capital lease obligation	<u>\$ 2,907</u>

VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

(7) Commitments and Contingencies – (Continued)

(c) *Operating Leases*

In December 2009, OneOC renewed its full-service lease agreement for its Santa Ana office suites, through January 2015. The lease provides for rent payments ranging from \$11,280 to \$12,696 per month. Since the lease agreement specifies scheduled rent increases over the lease term, OneOC recognizes rent expense in a constant amount each month over the lease term. The difference between the actual minimum lease payments and rent expense is recognized as deferred rent in the accompanying statement of financial position. In September 2011, OneOC signed a one year extension lease for additional office space for fiscally sponsored projects through September 2012. OneOC also signed a two year lease for another fiscally sponsored project commencing on April 1, 2011 with monthly rent payments of \$611. In addition, OneOC leases additional office space for fiscally sponsored projects on a month-to-month basis. For the year ended December 31, 2011, the total office suites rent expense including any common area maintenance charges was approximately \$168,000.

OneOC occupies rent-free office space in court and probation buildings in the Court Referral Program's Fullerton, Newport Beach, Westminster and Santa Ana satellite locations. OneOC has recorded the rental value of these offices as in-kind contributions in the amount of \$6,232.

OneOC occupies rent-free office space for one of its fiscally sponsored projects. OneOC has recorded the rental value for this office space as an in-kind donation in the amount of \$52,424.

OneOC entered into a non-cancelable copier lease which began in April 2011, and expires in March 2016. It has a monthly payment of \$793. On June 10, 2008, OneOC entered into a postage meter lease through December 2012, with quarterly payments of \$322. In November 2011, OneOC entered into a non-cancelable copier lease for a fiscally sponsored project which began on December 1, 2011 and expires in November 2015. It has a monthly payment of \$204. For the year ended December 31, 2011, the expense related to this leased equipment was approximately \$15,546.

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

(7) Commitments and Contingencies – (Continued)

(c) Operating Leases - continued

The total future minimum payments, without consideration of common area maintenance and exclusive of any future consumer price index adjustments, are as follows:

<u>Year Ending December 31:</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
2012	\$172,082	\$13,250	\$185,332
2013	149,387	11,962	161,349
2014	151,979	11,962	163,941
2015	12,696	11,759	24,455
2016	<u>-</u>	<u>2,379</u>	<u>2,379</u>
	<u>\$486,144</u>	<u>\$51,312</u>	<u>\$537,456</u>

(8) Related Party Transactions

OneOC receives and utilizes services from one board member's company. Donated services received and consulting expenses paid were \$9,149 and \$11,401, respectively, for the year ended December 31, 2011.

(9) Net Assets

Unrestricted net assets consist of board designations of \$100,000 for OneOC's volunteer services. Temporarily restricted net assets consist of contributions restricted for a specific purpose. The donor imposed restrictions for the contributions are expected to be satisfied in 2011.

Temporarily restricted net assets consist of the following:

Fiscal Sponsorship Services	\$ 4,347,574
Community Services	<u>38,700</u>
	<u>\$ 4,386,274</u>

(10) Retirement Plan

In June 1994, OneOC adopted a Section 403(b) tax deferred annuity plan for substantially all of the employees. Participants may make voluntary contributions to the plan. No employer contributions are required or were made to the plan in 2011.

**VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)**

NOTES TO FINANCIAL STATEMENTS

(Continued)

December 31, 2011

(11) Donated Materials, Facilities and Services

The value of donated materials, facilities and services included as contributions in the financial statements and the corresponding program expenses for the year ended December 31, 2011 are as follows:

	<u>Volunteer Services</u>	<u>Business Services</u>	<u>Supporting Services</u>	<u>Totals</u>
Service	\$11,893	\$1,429,253	\$ 9,148	\$1,450,294
Supplies	12,256	194,902	24,308	231,466
Rent	<u>6,232</u>	<u>53,591</u>	<u>-</u>	<u>59,823</u>
Totals	<u>\$30,381</u>	<u>\$1,677,746</u>	<u>\$33,456</u>	<u>\$1,741,583</u>

Total donated computers and software was \$4,440 for the year ended December 31, 2011 and is included in property and equipment. Total gift certificates donated were \$32,250, for the year ended December 31, 2011 and the items on hand at year-end are included in inventory.

(12) Illumination Foundation

On January 1, 2011, OneOC completed its incubation of the fiscally sponsored project The Illumination Foundation (“IF”). In keeping with the fiscal sponsor model within OneOC Business Services, after only 25 months of guidance, training, and education on how to administer a charitable enterprise, The Illumination Foundation was able to form its own 501(c) (3) exempt organization and began independent operations. The following net assets were transferred to IF:

Cash	\$ 1,462
Accounts Receivable	114,253
Prepaid Expenses	6,750
Property and Equipment	22,188
Deposits	<u>14,118</u>
	<u>\$158,771</u>

(13) Financial Statement Summarized Prior Year Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with OneOC’s financial statements for the year ended December, 31, 2011 from which the summarized information was derived.

SUPPLEMENTARY INFORMATION

Link Murrel & Chang, LLP

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Volunteer Center of Greater Orange County
(dba OneOC)
Santa Ana, California

We have audited the financial statements of Volunteer Center of Greater Orange County (dba OneOC) ("OneOC") as of and for the year ended December 31, 2011, and have issued our report thereon dated April 2, 2012, 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 schedule of functional 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.

Link Murrel & Chang, LLP

Irvine, California
April 2, 2012

VOLUNTEER CENTER OF GREATER ORANGE COUNTY
(dba OneOC)

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2011
(with summarized totals for 2010)

	Program Services				Total Program Services	Supporting Services			Totals 2011	Totals 2010
	Volunteer Services	Training Services	Consulting Services	Business Services		Management and General	Fundraising	Total Supporting Services		
Salaries and wages	\$ 805,269	\$ 116,221	\$ 48,262	\$ 1,578,146	\$ 2,547,898	\$ 319,910	\$ 212,391	\$ 532,301	\$ 3,080,199	\$ 3,288,008
Fringe benefits and taxes	132,869	16,569	7,904	244,570	401,912	37,867	28,157	66,024	467,936	446,562
Total Personnel	938,138	132,790	56,166	1,822,716	2,949,810	357,777	240,548	598,325	3,548,135	3,734,570
Advertising	5,957	906	341	32,124	39,328	2,644	5,132	7,776	47,104	125,779
Bank charges	15,574	1,727	651	11,348	29,300	5,435	2,906	8,341	37,641	35,654
Grant expenses	391	-	-	1,655,034	1,655,425	-	-	-	1,655,425	1,648,803
Direct client care	-	-	-	648,269	648,269	-	-	-	648,269	1,192,268
In-kind expenses	30,381	-	-	1,677,746	1,708,127	822	32,634	33,456	1,741,583	2,246,725
Insurance	21,563	1,379	520	9,963	33,425	3,755	2,318	6,073	39,498	34,534
Leased equipment	6,447	904	341	2,662	10,354	2,241	1,404	3,645	13,999	17,129
Miscellaneous	8,831	2,329	451	4,493	16,104	4,499	2,358	6,857	22,961	78,122
Outside services	168,322	43,303	142,709	2,186,445	2,540,779	88,523	21,537	110,060	2,650,839	2,262,839
Postage	3,406	270	91	4,339	8,106	1,088	301	1,389	9,495	12,374
Printing and photocopying	13,409	402	83	30,035	43,929	608	5,329	5,937	49,866	54,435
Program reimbursements	42,853	-	-	4,483	47,336	-	-	-	47,336	144,373
Rent	72,542	9,819	3,677	55,534	141,572	24,269	16,418	40,687	182,259	250,280
Repairs and maintenance	3,523	304	114	5,386	9,327	983	511	1,494	10,821	17,136
Staff training and recruiting	2,581	237	57	10,024	12,899	802	1,100	1,902	14,801	8,932
Supplies	97,553	12,326	2,141	259,877	371,897	9,654	6,785	16,439	388,336	693,717
Telephone and utilities	21,190	2,519	438	50,381	74,528	4,832	3,670	8,502	83,030	83,757
Travel and meetings	30,077	8,202	2,561	274,833	315,673	6,541	5,869	12,410	328,083	228,018
Expenses before depreciation	1,482,738	217,417	210,341	8,745,692	10,656,188	514,473	348,820	863,293	11,519,481	12,869,445
Depreciation	19,110	2,730	1,029	20,604	43,473	6,766	4,590	11,356	54,829	41,167
Total Expenses	\$ 1,501,848	\$ 220,147	\$ 211,370	\$ 8,766,296	\$ 10,699,661	\$ 521,239	\$ 353,410	\$ 874,649	\$ 11,574,310	\$ 12,910,612