

Franklin-Grand Isle United Way, Inc.

FINANCIAL STATEMENTS

March 31, 2010

Franklin-Grand Isle United Way, Inc.
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Kittell Branagan & Sargent

Certified Public Accountants

Vermont License #167

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Franklin-Grand Isle United Way, Inc.

We have audited the accompanying statements of financial position of Franklin-Grand Isle United Way, Inc. (a nonprofit organization) as of March 31, 2010 and 2009 and the related statements of activities, functional expenses and cash flows for the years 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.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide 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 Franklin-Grand Isle United Way, Inc. as of March 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads 'Kittell Branagan & Sargent'. The signature is written in a cursive, flowing style.

St. Albans, Vermont
June 17, 2010

Franklin Grand-Isle United Way, Inc.
 STATEMENTS OF FINANCIAL POSITION
 March 31,

<u>ASSETS</u>		<u>2010</u>	<u>2009</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	241,164	\$ 273,615
Unconditional promises to give less allowance for uncollectible promises of \$31,126 and \$31,126		268,441	243,851
Prepaid expenses		<u>3,273</u>	<u>6,336</u>
TOTAL CURRENT ASSETS		<u>512,878</u>	<u>523,802</u>
PROPERTY AND EQUIPMENT			
Land Improvements		465	465
Building and Improvements		123,581	123,581
Office Equipment		<u>57,345</u>	<u>52,881</u>
		181,391	176,927
Accumulated Depreciation		<u>(52,181)</u>	<u>(45,840)</u>
PROPERTY AND EQUIPMENT, Net		<u>129,210</u>	<u>131,087</u>
TOTAL ASSETS	\$	<u>642,088</u>	\$ <u>654,889</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Payroll tax liabilities	\$	3,337	\$ 2,551
Deferred grant & fiscal agent revenue		<u>31,024</u>	<u>58,693</u>
TOTAL CURRENT LIABILITIES		<u>34,361</u>	<u>61,244</u>
NET ASSETS			
Unrestricted:			
Board designated		446,288	494,847
Reserved		<u>161,439</u>	<u>98,798</u>
TOTAL UNRESTRICTED NET ASSETS		<u>607,727</u>	<u>593,645</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>642,088</u>	\$ <u>654,889</u>

See Accompanying Notes to Financial Statements.

Franklin Grand-Isle United Way, Inc.
STATEMENTS OF ACTIVITIES
For the Years Ended March 31,

	<u>2010</u>	<u>2009</u>
PUBLIC SUPPORT AND REVENUE		
Pledged contributions	\$ 351,741	\$ 356,678
Pledged thru other United Ways	68,135	66,606
Donations in kind	51,974	73,690
Grant revenues United Way Programs	47,665	56,030
Fiscal Agent income (includes Grants for other entities)	23,986	56,930
Special event revenue	96,345	123,093
Miscellaneous income	2,228	2,429
Rental income	14,750	6,190
Interest income	<u>3,122</u>	<u>5,757</u>
 TOTAL PUBLIC SUPPORT AND REVENUE	 <u>659,946</u>	 <u>747,403</u>
 EXPENSES		
Program services	515,690	641,378
Administration	64,573	74,019
Fundraising	<u>65,601</u>	<u>74,037</u>
 TOTAL EXPENSES	 <u>645,864</u>	 <u>789,434</u>
 CHANGE IN NET ASSETS	 14,082	 (42,031)
 NET ASSETS AT APRIL 1,	 <u>593,645</u>	 <u>635,676</u>
 NET ASSETS AT MARCH 31,	 <u>\$ 607,727</u>	 <u>\$ 593,645</u>

See Accompanying Notes to Financial Statements.

Franklin Grand-Isle United Way, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2010

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
Payroll	\$ 61,232	\$ 39,265	\$ 19,187	\$ 119,684
Payroll taxes	5,868	2,487	1,592	9,947
Health & dental insurance	7,735	3,278	2,098	13,111
Pension expense	3,909	1,657	1,060	6,626
Professional services	645	335	335	1,315
Audit	1,849	2,761	1,485	6,095
General office supplies	402	391	391	1,184
Event expenses	34,565	1,096	16,294	51,955
Printing	355	-	1,420	1,775
Campaign supplies	206	-	823	1,029
Computer supplies	211	204	204	619
Donation Tracker contract	255	510	510	1,275
Telephone	1,045	1,014	1,014	3,073
Postage	842	818	818	2,478
Dues UW	4,782	-	-	4,782
Depreciation	2,156	2,092	2,092	6,340
Insurance	1,922	1,866	1,866	5,654
Mileage	989	-	424	1,413
Executive director expense	658	-	73	731
Miscellaneous	670	1,445	807	2,922
Property taxes	556	539	539	1,634
Utilities	1,848	1,794	1,794	5,436
Repairs and maintenance	3,168	3,021	3,027	9,216
In-kind donations	39,762	-	7,748	47,510
Allocations member agencies	202,040	-	-	202,040
Designations to agencies & programs	19,672	-	-	19,672
Emerging needs allocations	1,250	-	-	1,250
Donor designations	45,414	-	-	45,414
Grant expenses	24,752	-	-	24,752
Fiscal agent expenses	23,986	-	-	23,986
Pledge shrinkage	22,946	-	-	22,946
TOTALS	<u>\$ 515,690</u>	<u>\$ 64,573</u>	<u>\$ 65,601</u>	<u>\$ 645,864</u>

% of Total Expenses	<u>79.85%</u>	<u>10.00%</u>	<u>10.15%</u>	<u>100.00%</u>
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See Accompanying Notes to Financial Statements.

Franklin Grand-Isle United Way, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2009

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
Payroll	\$ 61,271	\$ 32,510	\$ 10,924	\$ 104,705
Payroll taxes	5,098	2,160	1,382	8,640
Health & dental insurance	6,828	2,893	1,852	11,573
Pension expense	3,597	1,524	975	6,096
Professional services	21,107	18,540	11,162	50,809
Audit	800	3,200	-	4,000
General office supplies	225	217	217	659
Event expenses	98,585	906	24,919	64,490
Printing	395	-	1,578	1,973
Campaign supplies	329	-	1,067	1,396
Computer supplies	718	697	697	2,112
Donation Tracker contract	255	510	510	1,275
Telephone	790	767	766	2,323
Postage	548	532	533	1,613
Dues UW	4,901	-	-	4,901
Depreciation	1,846	1,791	1,791	5,428
Insurance	1,665	1,620	1,620	4,905
Mileage	1,516	-	650	2,166
Executive director expense	473	-	53	526
Miscellaneous	1,489	1,445	1,445	4,379
Rent	794	771	771	2,336
Property taxes	1,046	1,111	1,111	3,268
Utilities	1,406	1,364	1,364	4,134
Repairs and maintenance	1,506	1,461	1,461	4,428
In-kind donations	64,700	-	7,189	71,889
Allocations member agencies	250,000	-	-	250,000
Designations to agencies & programs	8,500	-	-	8,500
Emerging needs allocations	6,200	-	-	6,200
Donor designations	66,971	-	-	66,971
Pledge shrinkage	27,819	-	-	27,819
TOTALS	<u>\$ 641,378</u>	<u>\$ 74,019</u>	<u>\$ 74,037</u>	<u>\$ 729,514</u>
% of Total Expenses	<u>87.92%</u>	<u>10.15%</u>	<u>1.94%</u>	<u>100.00%</u>

See Accompanying Notes to Financial Statements.

Franklin Grand-Isle United Way, Inc.
 STATEMENTS OF CASH FLOWS
 For the Years Ended March 31,

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 14,082	\$ (42,031)
Adjustments to reconcile change in net assets to net cash, provided by operating activities:		
Donated goods received	(32,142)	(53,858)
Donated computer equipment received	(19,832)	(19,832)
Goods donated to agencies	32,142	53,858
Computers donated to agencies	19,832	19,832
Depreciation and amortization	6,340	5,428
(Increase)Decrease in contributions receivable	(24,590)	43,804
(Increase)Decrease in prepaids	3,064	(4,139)
Increase(Decrease) in payroll taxes payable	786	(1,966)
Increase(Decrease) in deferred revenue	<u>(27,669)</u>	<u>(60,847)</u>
 NET CASH (USED) BY OPERATING ACTIVITIES	 <u>(27,987)</u>	 <u>(59,751)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	<u>(4,464)</u>	<u>(126,232)</u>
 NET DECREASE IN CASH AND EQUIVALENTS	 (32,451)	 (185,983)
 CASH AND CASH EQUIVALENTS AS OF APRIL 1,	 <u>273,615</u>	 <u>459,598</u>
 CASH AND CASH EQUIVALENTS AS OF MARCH 31,	 <u>\$ 241,164</u>	 <u>\$ 273,615</u>

See Accompanying Notes to Financial Statements.

Franklin-Grand Isle United Way, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Franklin-Grand Isle United Way, Inc. is one of 1,400 United Ways in the United States. In business for over 25 years, we are an independent, nonprofit organization overseen by a local volunteer board of directors.

We collaborate with other community service organizations, partner with businesses, teach with service delivery agencies, and join forces with dedicated leaders and volunteers. Together, we solve community needs that affect families and children while assuring a viable community-wide, human services infrastructure.

United Way mobilizes the community to provide the financial and non-monetary resources needed to build a better community. Through a single community-wide fund drive, United Way raises resources that are invested in programs that address this community's most pressing needs. We actively work with local agencies to implement innovative and effective programs.

Income Taxes

Franklin-Grand Isle United Way, Inc. is tax exempt under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Public Support and Revenue

Contributions and unconditional promises are recorded as revenue in the period received. Unconditional promises to give are recorded as pledges receivable.

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. The majority of the promises to give are received from a broad base of Franklin and Grand Isle County contributors as a result of the annual campaign. An allowance for uncollectible promises is calculated based on an historical average of 5% of current year pledges. The allowance for uncollectible pledges at March 31, 2010 and 2009 was \$31,126.

In-Kind Donations

Donated materials and equipment are recorded at estimated fair market value when received. Donated services are not recorded since no objective basis is available to measure the value of such services. A substantial number of individuals and businesses have donated significant amounts of their time and services in the United Way's fundraising, supporting programs and management and general activities.

Expense Recognition

The Organization recognizes expenses on the accrual basis of accounting where expenses are recognized when incurred.

Cash Equivalents

For the purpose of the statements of cash flows, the organization considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Franklin-Grand Isle United Way, Inc.
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment and Depreciation

Equipment is recorded at cost. All donated equipment is recorded at appraised value. Depreciation is provided using the straight-line method over the estimated useful lives of the fixed asset.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 DESIGNATED NET ASSETS

The Board of Directors has designated net assets as follows:

	<u>2010</u>	<u>2009</u>
Board Designations for Next Years Budget:		
Allocations	\$ 253,908	\$ 246,639
Administration	<u>192,380</u>	<u>248,208</u>
Total Board Designated Net Assets	<u>446,288</u>	<u>494,847</u>
Reserved Net Assets:		
Capital Needs	8,500	5,500
Emerging Needs	19,206	15,456
Operating Needs	<u>133,733</u>	<u>77,842</u>
Total Reserved Net Assets	<u>161,439</u>	<u>98,798</u>
Total Net Assets	<u>\$ 607,727</u>	<u>\$ 593,645</u>

NOTE 3 PENSION PLAN

Franklin-Grand Isle United Way, Inc. has a 403(b) employee pension covering all of its eligible employees. Under the plan United Way makes contributions of 6% of gross earnings for eligible employees. During the fiscal years ended March 31, 2010 and 2009, United Way contributions amounted to \$6,626 and \$6,096, respectively.

Franklin-Grand Isle United Way, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2010

NOTE 4 COST ALLOCATIONS

The costs of providing program services and overhead (management & general and fundraising) have been allocated to each functional expense category based on the percentage of employee time spent performing each function. A time study was performed in a prior year to determine the percentages to be applied. The amount that has been allocated for the years ended March 31, 2010 and 2009 was \$268,209 and \$248,428, respectively.

NOTE 5 LINE OF CREDIT

As of March 31, 2010, the organization had available a line of credit with an upper limit of \$100,000. At that date no borrowings were outstanding against the line of credit. These funds are available with an interest rate 6.75% due March 2011.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment, at cost:

	<u>2010</u>	<u>2009</u>
Land Improvements	\$ 465	\$ 465
Building and Improvements	123,581	123,581
Office Equipment	<u>57,345</u>	<u>52,881</u>
	181,391	176,927
Accumulated Depreciation	<u>(52,181)</u>	<u>(45,840)</u>
	<u>\$ 129,210</u>	<u>\$ 131,087</u>

NOTE 7 SUBSEQUENT EVENTS

In accordance with professional accounting standards, the Company has evaluated subsequent events through June 17, 2010, which is the date the financial statements were available to be issued. All subsequent events requiring recognition as of March 31, 2010, have been incorporated into the financial statements herein.



Kittell Branagan & Sargent

Certified Public Accountants

Vermont License #167

INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

To the Board of Directors
Franklin-Grand Isle United Way, Inc.

Our report on our audit of the basic financial statements of Franklin-Grand Isle United Way, Inc. for 2010 and 2009 appears on page 1. We conducted our audits in accordance with generally accepted auditing standards for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of allocations and designations are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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St. Albans, Vermont
June 17, 2010

Franklin Grand-Isle United Way, Inc.
 SCHEDULE OF ALLOCATIONS AND DESIGNATIONS
 For the Years Ended March 31,

Report 2

	<u>2010</u>	<u>2009</u>
EXPENSES		
PROGRAM ALLOCATIONS		
American Red Cross	\$ 12,600	\$ 14,000
Boy Scouts Green Mountain Council	2,025	2,250
C.H.A.M.P.	4,950	5,500
C.I.D.E.R.	7,200	8,000
Care Partners (formerly Club Respite)	13,500	15,000
Champlain Island Parent Child Center	-	8,000
Champlain Valley Area Agency on Aging	21,150	23,500
CVOEO, Inc.	18,000	-
Family Center of Northwestern Vermont	3,000	17,500
Franklin County 4H	1,575	7,000
Franklin County Court Diversion	9,000	10,000
Franklin County Home Health	23,400	26,000
Franklin County Senior Center	6,300	7,000
Franklin Grand Isle 4H	4,725	-
Franklin Grand Isle Community Action Food Shelf	-	20,000
Girl Scout Council of Vermont	3,600	4,000
Grand Isle County Court Diversion	2,700	3,000
Greater Burlington YMCA	2,700	3,000
Maple Leaf Farm Associates	4,365	4,850
Northwestern Counseling & Support Services	9,900	11,000
Prevent Child Abuse Vermont	5,000	8,900
Samaritan House	12,600	14,000
Tri-County Foster Grandparents	11,250	12,500
Vermont Center for Independent Living	6,300	7,000
Violence Against Violence - Laurie's House	<u>16,200</u>	<u>18,000</u>
TOTAL PROGRAM ALLOCATIONS	<u>\$ 202,040</u>	<u>\$ 250,000</u>
BOARD DESIGNATIONS TO AGENCIES & PROGRAMS		
Operation Happiness	\$ 3,404	\$ -
Resource Directory	1,100	1,000
Flexible Funding	4,000	4,000
Community Needs Assessment	921	-
Volunteer Solutions	3,024	-
VT 211	<u>7,223</u>	<u>3,500</u>
TOTAL BOARD DESIGNATIONS TO AGENCIES & PROGRAMS	<u>\$ 19,672</u>	<u>\$ 8,500</u>