

CROSS VERMONT TRAIL ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2008

CROSS VERMONT TRAIL ASSOCIATION, INC.

JUNE 30, 2008

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Pace & Hawley, LLC

Certified Public Accountants

The Board of Directors
Cross Vermont Trail Association, Inc.

We have reviewed the accompanying statement of financial position of Cross Vermont Trail Association, Inc. (a nonprofit organization) as of June 30, 2008, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Cross Vermont Trail Association, Inc.

A review consists principally of inquires of Cross Vermont Trail Association, Inc. personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Pace & Hawley, LLC

Montpelier, VT

June 4, 2009

CROSS VERMONT TRAIL ASSOCIATION, INC.
Statement of Financial Position
June 30, 2008

	<u>2008</u>
Assets	
Current assets:	
Cash	\$ 29,165
Grants receivable	55,665
Prepaid expenses	<u>696</u>
Total current assets	<u>85,526</u>
Capital assets:	
Land	130,000
Equipment	795
Less: accumulated depreciation	<u>(268)</u>
Total capital assets	<u>130,527</u>
Total assets	<u>\$ 216,053</u>
 Liabilities and net assets	
Current liabilities:	
Accounts payable	\$ 76,699
Deferred revenue	<u>15,044</u>
Total current liabilities	<u>91,743</u>
Total liabilities	<u>91,743</u>
Net assets:	
Permanently restricted	4,935
Unrestricted	<u>119,375</u>
Total net assets	<u>124,310</u>
Total liabilities and net assets	<u>\$ 216,053</u>

See accompanying notes and accountant,s report.

CROSS VERMONT TRAIL ASSOCIATION, INC.
Statement of Activities
For the Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:			
Grants	\$ 283,164	\$ -	\$ 283,164
Contributions	2,557	2,000	4,557
Investment income	398	-	398
Total revenues	<u>286,119</u>	<u>2,000</u>	<u>288,119</u>
Expenses:			
Advertising	35	-	35
Depreciation	185	-	185
Dues and subscriptions	600	-	600
Insurance	1,149	-	1,149
Materials	2,791	-	2,791
Miscellaneous	2,290	-	2,290
Postage	7	-	7
Professional fees	140,336	-	140,336
Rent	1,800	-	1,800
Supplies	1,660	-	1,660
Telephone	627	-	627
Utilities	290	-	290
Wages and benefits	40,465	-	40,465
Total expenses	<u>192,235</u>	<u>-</u>	<u>192,235</u>
Change in net assets	93,884	2,000	95,884
Net assets, beginning of year	<u>25,491</u>	<u>2,935</u>	<u>28,426</u>
Net assets, end of year	\$ <u>119,375</u>	\$ <u>4,935</u>	\$ <u>124,310</u>

See accompanying notes and accountant's report.

CROSS VERMONT TRAIL ASSOCIATION, INC.
Statement of Cash Flows
For the Year Ended June 30, 2008

	<u>2008</u>
Cash flows from operating activities	
Change in net assets	\$ 95,884
Adjustments to reconcile change in net assets to net cash provided by operating activities-	
Depreciation	185
Investment income	(398)
(Increase) decrease in accounts receivable	(7,768)
(Increase) decrease in other receivables	389
Increase (decrease) in accounts payable	67,968
Increase (decrease) in deferred revenue	<u>(24,110)</u>
Net cash provided by operating activities	<u>132,150</u>
 Cash flows from Investing activities	
Purchases of capital assets	(120,235)
Interest received	<u>398</u>
Net cash provided (used) by investing activities	<u>(119,837)</u>
 Net increase (decrease) in cash	12,313
 Cash, beginning of year	<u>16,852</u>
 Cash, end of year	\$ <u>29,165</u>

See accompanying notes and accountant's report.

CROSS VERMONT TRAIL ASSOCIATION, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2008

	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Expenses:				
Advertising	\$ 35	\$ -	\$ -	\$ 35
Depreciation	-	185	-	185
Dues and Subscriptions	234	183	183	600
Insurance	383	383	383	1,149
Materials	-	2,791	-	2,791
Miscellaneous	2,290	-	-	2,290
Postage	7	-	-	7
Professional fees	138,960	688	688	140,336
Rent	600	600	600	1,800
Supplies	1,472	94	94	1,660
Telephone	209	209	209	627
Utilities	97	97	96	290
Wages and benefits	15,930	12,268	12,267	40,465
Total expenses	\$ <u>160,217</u>	\$ <u>17,498</u>	\$ <u>14,520</u>	\$ <u>192,235</u>

See accompanying notes and accountant's report.

CROSS VERMONT TRAIL ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2008

A. Summary of significant accounting policies:

Cross Vermont Trail Association, Inc. (the Organization) is a non-profit organization established to assist municipalities, recreation groups, and landowners in the creation and management of a four-season, multi-use trail across the state of Vermont for public recreation, alternative transportation, and awareness of our natural and cultural heritage. The Organization is governed by a Board of Directors with administrative offices located in Montpelier, Vermont. The Organization is supported primarily through grants and contributions.

1. Reporting entity - The Organization is classified as a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.
2. Financial statement presentation - The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.
3. Basis of accounting -The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.
4. Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
5. Cash and cash equivalents - Cash and cash equivalents include demand deposits, money market funds and highly liquid investments which are readily convertible into cash within ninety days of purchase.
6. Property and equipment - Property and equipment in excess of \$100 are capitalized at cost when purchased or estimated fair market value, if received by donation or acquired under a capital lease agreement. Donations of property and equipment are recorded as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation and amortization are computed using the straight-line method over the assets estimated useful lives as follows:

	<u>Years</u>
Equipment and machinery	3 - 5

7. Grant revenue and deferred revenue - The Organization records grant revenue as deferred revenue until it is expended for the purpose of the grant, at which time it is recognized as revenue. The balance in deferred revenue represents amounts received under cost reimbursement contracts that will be expended in the next fiscal year in accordance with the grant.

CROSS VERMONT TRAIL ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2008

A. Summary of significant accounting policies (continued):

8. Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. The Organization has not received any contributions with donor-imposed restrictions that would result in temporarily restricted net assets. Permanently restricted net assets of \$4,935 at June 30, 2008 represent contributions from donor imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the actions of the organization.
9. Income taxes - The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and did not conduct unrelated business activities. Accordingly, the Organization has made no provision for federal income taxes in the accompanying financial statements.
10. Advertising - The Organization's policy is to expense advertising costs as incurred. The Organization has recorded \$35 in advertising expense for the year ended June 30, 2008.
11. Concentrations - The organization receives a substantial amount of grant revenue from a limited number of grantors. Of the \$283,164 recorded as grant revenue for the year ending June 30, 2008, \$251,185 came from two sources.

B. Cash:

The Organization maintains cash balances which may, at times throughout the year, exceed amounts covered by the Federal Deposit Insurance Corporation (FDIC). The bank balance of cash at June 30, 2008 was completely covered by the FDIC.

C. Donated office space and payroll processing:

The Organization's office space is currently donated by the Central Vermont Regional Planning Commission. Accordingly, for the year ended June 30, 2008, the Organization has recognized a contribution and rent expense of \$1,800. This amount represents an estimate of the fair market value of the donated office space. The Central Vermont Regional Planning Commission also provides payroll processing for the Organization free of charge. An estimated value of the payroll processing was not determinable. Accordingly, for the year ended June 30, 2008, the Organization has not recorded a contribution or expense that reflects this activity.

D. Property and equipment:

Property and equipment activity for 2008 was as follows:

	<u>Balance</u> <u>7/1/2007</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6/30/3008</u>
Capital assets, not depreciated:				
Land	\$ <u>10,000</u>	\$ <u>120,000</u>	\$ <u>-</u>	\$ <u>130,000</u>
Capital assets, depreciated:				
Equipment	<u>560</u>	<u>235</u>	<u>-</u>	<u>795</u>
Less: accumulated depreciation	<u>(83)</u>	<u>(185)</u>	<u>-</u>	<u>(268)</u>
Total capital assets depreciated, net	<u>477</u>	<u>50</u>	<u>-</u>	<u>527</u>
Capital assets, net	\$ <u>10,477</u>	\$ <u>120,050</u>	\$ <u>-</u>	\$ <u>130,527</u>

CROSS VERMONT TRAIL ASSOCIATION, INC.
Notes to Financial Statements
June 30, 2008

E. Subsequent event:

Subsequent to June 30, 2008 the Organization executed a \$7,955 note payable with the Vermont State Employees Credit Union at an interest rate of 4.96%.