

CROSS VERMONT TRAIL ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2007

CROSS VERMONT TRAIL ASSOCIATION, INC.

JUNE 30, 2007

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Robert Pace CPA & Company P.C.

The Board of Directors
Cross Vermont Trail Association

I have reviewed the accompanying statement of financial position of Cross Vermont Trail Association, Inc. (a nonprofit organization) as of June 30, 2007, and the related statements of activities and cash flows for the year then ended, in accordance with Statements 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 inquiries 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, I do not express such an opinion.

Based on my review, I am 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.



Robert Pace
Montpelier, VT

March 27, 2008

License# 001-0002001

CROSS VERMONT TRAIL ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007

	<u>ASSETS</u>	<u>2007</u>
CURRENT ASSETS:		
Cash	\$	16,852
Grants receivable		47,897
Prepaid expenses		<u>1,085</u>
Total current assets		<u>65,834</u>
CAPITAL ASSETS:		
Land		10,000
Equipment		560
Less: accumulated depreciation		<u>(83)</u>
Total capital assets		<u>10,477</u>
Total assets	\$	<u>76,311</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$	8,731
Deferred revenue		<u>39,154</u>
Total current liabilities		<u>47,885</u>
Total liabilities		<u>47,885</u>
NET ASSETS:		
Permanently restricted		2,935
Unrestricted		<u>25,491</u>
Total net assets		<u>28,426</u>
Total liabilities and net assets	\$	<u>76,311</u>

The accompanying notes are an integral part of this statement.

CROSS VERMONT TRAIL ASSOCIATION, INC.
STATEMENT OF ACTIVITES
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Unrestricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
REVENUES:			
Grants	\$ 61,855	\$ 2,000	\$ 63,855
Contributions	4,558	-	4,558
Investment income	217	-	217
Miscellaneous	19	-	19
Total revenues	<u>66,649</u>	<u>2,000</u>	<u>68,649</u>
EXPENSES:			
Advertising	371	-	371
Bank charges	12	-	12
Depreciation	83	-	83
Insurance	1,213	-	1,213
Materials	10,263	-	10,263
Miscellaneous	19	-	19
Postage	21	-	21
Professional fees	1,660	-	1,660
Rent	2,188	-	2,188
Supplies	80	-	80
Telephone	590	-	590
Utilities	308	-	308
Wages and benefits	44,195	-	44,195
Total expenses	<u>61,003</u>	<u>-</u>	<u>61,003</u>
CHANGE IN NET ASSETS	5,646	2,000	7,646
NET ASSETS, beginning of year	<u>19,845</u>	<u>935</u>	<u>20,780</u>
NET ASSETS, end of year	\$ <u>25,491</u>	\$ <u>2,935</u>	\$ <u>28,426</u>

The accompanying notes are an integral part of this statement.

CROSS VERMONT TRAIL ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 7,646
Adjustments to reconcile change in net assets to net cash provided by operating activities-	
Depreciation	83
Investment income	(217)
(Increase) decrease in accounts receivable	(15,558)
(Increase) decrease in other receivables	28
Increase (decrease) in accounts payable	(3,161)
Increase (decrease) in deferred revenue	<u>12,878</u>
Net cash provided by operating activities	<u>1,699</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of capital assets	(560)
Interest received	<u>217</u>
Net cash provided (used) by investing activities	<u>(343)</u>
 NET INCREASE (DECREASE) IN CASH	 1,356
 CASH, beginning of year	 <u>15,496</u>
CASH, end of year	\$ <u>16,852</u>

The accompanying notes are an integral part of this statement.

CROSS VERMONT TRAIL ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
EXPENSES:				
Advertising	\$ 371	\$ -	\$ -	\$ 371
Bank charges	-	12	-	12
Depreciation	-	83	-	83
Insurance	1,213	-	-	1,213
Trail Materials	10,263	-	-	10,263
Miscellaneous	19	-	-	19
Postage	-	21	-	21
Professional fees	250	1,310	100	1,660
Rent	2,188	-	-	2,188
Supplies	80	-	-	80
Telephone	590	-	-	590
Utilities	308	-	-	308
Wages and benefits	30,888	11,110	2,197	44,195
Total expenses	\$ <u>46,170</u>	\$ <u>12,536</u>	\$ <u>2,297</u>	\$ <u>61,003</u>

The accompanying notes are an integral part of this statement.

CROSS VERMONT TRAIL ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

A. Summary of significant account 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, 2007

A. Summary of significant account 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 \$2,935 at June 30, 2007 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 \$371 in advertising expense for the year ended June 30, 2007.

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, 2007 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, 2007, 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, 2007, the Organization has not recorded a contribution or expense that reflects this activity.

D. Property and equipment:

Property and equipment activity for 2007 was as follows:

	<u>Balance</u> <u>7/1/2006</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6/30/3007</u>
Capital assets, not depreciated:				
Land	\$ <u>10,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,000</u>
Capital assets, depreciated:				
Equipment	<u>-</u>	<u>560</u>	<u>-</u>	<u>560</u>
Less: accumulated depreciation	<u>-</u>	<u>(83)</u>	<u>-</u>	<u>(83)</u>
Total capital assets depreciated, net	<u>-</u>	<u>477</u>	<u>-</u>	<u>477</u>
Capital assets, net	\$ <u><u>10,000</u></u>	\$ <u><u>477</u></u>	\$ <u><u>-</u></u>	\$ <u><u>10,477</u></u>