

HomeShare Vermont, Inc.

Index

June 30, 2011 & 2010

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Julow & Weltin PLC
Certified Public Accountants

Independent Auditors' Report

Board of Directors
HomeShare Vermont, Inc.
Burlington, Vermont

We have audited the accompanying statements of financial position of HomeShare Vermont, Inc. as of June 30, 2011 & 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the management of HomeShare Vermont, Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

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 HomeShare Vermont, Inc. as of June 30, 2011 & 2010, 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.

Julow and Weltin

August 5, 2011
License #92-0000148

HomeShare Vermont, Inc.
Statements of Financial Position
June 30, 2011 & 2010

Assets

	<u>6/30/11</u>	<u>6/30/10</u>
Current Assets		
Cash and cash equivalents	\$ 513,669	\$ 341,201
Grants receivable	<u> -</u>	<u> 3,130</u>
 Total Current Assets	 <u>513,669</u>	 <u>344,331</u>
 Other Assets		
Fund Held by Vermont Community Foundation (See Note 5)	<u>108,141</u>	<u>48,344</u>
 Office facility, at cost	 202,352	 202,352
Office furniture & equipment	14,525	14,525
Accumulated depreciation	<u>(27,863)</u>	<u>(20,854)</u>
	<u>189,014</u>	<u>196,023</u>
 Total Assets	 <u>\$ 810,824</u>	 <u>\$ 588,698</u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ 466	\$ 4,197
Accrued payroll	<u>6,003</u>	<u>5,267</u>
 Total Current Liabilities / Total Liabilities	 <u>6,469</u>	 <u>9,464</u>
 Net Assets		
Unrestricted net assets		
Undesignated	137,861	119,995
Designated by Board	282,397	126,616
Used for office facility, furniture & equipment, less depreciation	<u>189,014</u>	<u>196,023</u>
	<u>609,272</u>	<u>442,634</u>
 Fund Held by Vermont Community Foundation (See Note 5)	 <u>108,141</u>	 <u>48,344</u>
 Temporarily restricted net assets held for building related expenditures	 <u>86,942</u>	 <u>88,256</u>
 Total Net Assets	 <u>804,355</u>	 <u>579,234</u>
 Total Liabilities and Net Assets	 <u>\$ 810,824</u>	 <u>\$ 588,698</u>

See accompanying notes.

HomeShare Vermont, Inc.
 Statements of Activities
 Years Ended June 30, 2011 & 2010

	<u>6/30/11</u>	<u>6/30/10</u>
<u>Unrestricted Revenues</u>		
Grants		
United Way	\$ 56,864	\$ 57,495
State of Vermont	77,545	77,545
Municipalities	10,700	17,333
CDBG	5,202	5,500
Other	<u>22,222</u>	<u>2,778</u>
Total Grants	172,533	160,651
Contributions	284,431	58,527
Contributed services	24,160	-
Special Events	22,585	22,223
FY11: Revenue of \$24,946 less expenses of \$2,361		
FY10: Revenue of \$24,474 less expenses of \$2,251		
Client fees	13,795	15,011
Rental income	2,820	-
Unrealized gain (loss) on investments	9,796	(1,656)
Interest income - Polly Rowe Fund	4,832	5,373
Interest income - Other	1,648	1,160
Net assets released from restrictions		
Restrictions satisfied by payments (building related expenses)	<u>4,424</u>	<u>5,240</u>
Total Unrestricted Revenues	<u>541,024</u>	<u>266,529</u>
<u>Unrestricted Expenses</u>		
Program services	<u>262,016</u>	<u>215,525</u>
Support services		
Management and general	35,834	37,339
Fund-raising	<u>16,738</u>	<u>12,046</u>
Total Support services	<u>52,572</u>	<u>49,385</u>
Total Expenses	<u>314,588</u>	<u>264,910</u>
Change in unrestricted net assets	<u>226,436</u>	<u>1,619</u>
Temporarily restricted net assets		
Interest income - building fund	3,109	3,132
Restrictions satisfied by payments - building related expenses	<u>(4,424)</u>	<u>(5,240)</u>
Change in temporarily restricted net assets	<u>(1,315)</u>	<u>(2,108)</u>
Increase (Decrease) in net assets	225,121	(489)
Net assets - beginning of year	<u>579,234</u>	<u>579,723</u>
Net assets - end of year	<u>\$ 804,355</u>	<u>\$ 579,234</u>

See accompanying notes.

HomeShare Vermont, Inc.
Years Ended June 30, 2011 & 2010

Reconciliation of change in unrestricted net assets on page 3
to the surplus in the internally prepared report

	<u>6/30/11</u>	<u>6/30/10</u>
Change in unrestricted net assets as shown on page 3	\$ 226,436	\$ 1,619
Interest income designated by the Board for the Polly Rowe Fund	(4,832)	(5,373)
Unrealized (gain) loss on investments	(9,796)	1,656
Contributions designated by the Board for the Polly Rowe Fund	(200,950)	(680)
Depreciation expense	<u>7,009</u>	<u>7,009</u>
Surplus in internally prepared report	<u>\$ 17,867</u>	<u>\$ 4,231</u>

See accompanying notes.

HomeShare Vermont, Inc.
Statement of Functional Expenses
Year Ended June 30, 2011

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fund Raising</u>	
Salaries	\$151,697	\$ 12,276	\$ 11,399	\$ 175,372
Payroll benefits	30,816	2,494	2,316	35,626
Volunteer program service	24,160	-	-	24,160
Education & training	-	1,932	-	1,932
Advertising	9,160	-	-	9,160
Occupancy, including depreciation	11,057	895	831	12,783
Postage	3,601	291	271	4,163
Americorp	6,176	-	-	6,176
Audit	-	2,800	-	2,800
Business insurance	-	1,768	-	1,768
Printing	6,455	522	486	7,463
Equipment expenses	3,407	3,406	-	6,813
Supplies	3,087	250	232	3,569
Bank / Credit card expenses	-	818	817	1,635
Telephone	1,315	106	99	1,520
Travel	2,680	-	-	2,680
Workshop expenses	1,672	-	-	1,672
Consultants	2,907	2,906	-	5,813
Video	-	5,060	-	5,060
Miscellaneous	<u>3,826</u>	<u>310</u>	<u>287</u>	<u>4,423</u>
 Total	 <u>\$262,016</u>	 <u>\$ 35,834</u>	 <u>\$ 16,738</u>	 <u>\$ 314,588</u>

See accompanying notes.

HomeShare Vermont, Inc.
Statement of Functional Expenses
Year Ended June 30, 2010

		<u>Support Services</u>		<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Salaries	\$130,335	\$ 18,844	\$ 7,852	\$ 157,031
Payroll benefits	25,351	3,665	1,527	30,543
Advertising	5,864	-	-	5,864
Occupancy, including depreciation	10,930	1,580	659	13,169
Postage	3,370	487	203	4,060
Americorp	11,771	-	-	11,771
Addison County, excluding salaries	1,519	-	-	1,519
Audit	-	2,650	-	2,650
Business insurance	-	1,762	-	1,762
Printing	8,962	1,296	539	10,797
Equipment expenses	3,658	3,658	-	7,316
Supplies	2,037	294	123	2,454
Bank / Credit card expenses	-	870	870	1,740
Telephone	1,688	244	102	2,034
Travel	1,683	-	-	1,683
Workshop expenses	3,947	-	-	3,947
Consultants	1,580	1,580	-	3,160
Miscellaneous	2,830	409	171	3,410
	<u>\$215,525</u>	<u>\$ 37,339</u>	<u>\$ 12,046</u>	<u>\$ 264,910</u>
Total				

See accompanying notes.

HomeShare Vermont, Inc.
 Statements of Cash Flows
 Years Ended June 30, 2011 & 2010

	<u>6/30/11</u>	<u>6/30/10</u>
Cash flows from operating activities		
Change in unrestricted net assets	\$ 226,436	\$ 1,619
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation	7,009	7,009
Unrealized (gain) loss on investments	(9,796)	1,656
(Increase) Decrease in grants receivable	3,130	6,194
(Increase) Decrease in prepaid expenses	-	-
Increase (Decrease) in payables	<u>(2,996)</u>	<u>3,098</u>
Net cash provided by operating activities	223,783	19,576
Increase (Decrease) in net assets held for building related expenditures	(1,315)	(2,108)
Cash flows from investing activities		
Investment in Vermont Community Foundation	<u>(50,000)</u>	<u>(50,000)</u>
Increase (Decrease) in cash	172,468	(32,532)
Cash and cash equivalents, beginning of year	<u>341,201</u>	<u>373,733</u>
Cash and cash equivalents, end of year	<u>\$ 513,669</u>	<u>\$ 341,201</u>

See accompanying notes.

HomeShare Vermont, Inc.
Notes to Financial Statements

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

HomeShare Vermont, Inc. is a nonprofit organization formed for the purpose of assisting elders and persons with disabilities to remain living independently in their homes and to provide affordable housing to people who need it. HomeShare Vermont, Inc. screens and matches individuals who need affordable housing and can provide some services for individuals who have homes but need help in order to live independently.

In addition to home sharing, the organization has also developed a care giving program to match frail elders and people with disabilities who need personal, non-medical care in their homes with people who seek care giving job opportunities. Caregivers work directly for the person receiving the care. They can work on an hourly basis or live in the home and work full-time in exchange for salary plus room and board.

Nature of Organization and Additional Reporting Information

HomeShare Vermont, Inc., previously known as Project HOME, was founded in 1982 by staff and volunteers with the Retired Senior Volunteer Program (RSVP). In 1986, HomeShare Vermont, Inc. became a program of Cathedral Square Corporation (CSC), a local non-profit housing development organization that focuses on the needs of seniors and people with disabilities. By resolution of the Board of Directors of Cathedral Square Corporation, the operations and all financial, tangible and intangible assets of the program were transferred and assigned, effective January 1, 2005, to HomeShare Vermont, Inc., which had received its certificate of incorporation from the State of Vermont on October 12, 2004.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Contributions / Restrictions on Net Assets

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 as part of a capital campaign for the specific purpose of assisting with its purchase of an office facility and other building related expenditures have been classified as temporarily restricted net assets. The unused balance remaining from the capital campaign was \$86,942 as of June 30, 2011.

In addition, the Board of Directors has designated gifts and bequests to the Polly Rowe Fund to be set aside in a separate account and used to generate operating income. This Fund is classified as unrestricted because there have been no donor restrictions on the contributions and the Board retains full discretion as to the use of the Fund.

Grant Revenue

HomeShare Vermont, Inc. receives various governmental grants and an annual United Way allocation which are recognized as revenue in the service period specified by the agreements.

Income Taxes

HomeShare Vermont, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, no provision for federal income taxes has been made in the accompanying financial statements. In addition, HomeShare Vermont, Inc. has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

Note 2 - Office Facility

The Organization operates out of an office condominium located in South Burlington, Vermont. The condominium was purchased May 14, 2007 with contributions received from a capital campaign.

Note 3 – Contributed Services

HomeShare Vermont, Inc. receives a significant amount of contributed services from unpaid volunteers, primarily to assist with finding matches for both the home sharing and care giving programs. During the year ended June 30, 2011, \$24,160 of contributed services were recognized as revenue in the statement of activities. None were recognized during the year ended June 30, 2010.

Note 4 - Evaluation of Subsequent Events

The Organization has evaluated subsequent events through August 24, 2011, the date which the financial statements were available to be issued.

Note 5 - Fund Held By Vermont Community Foundation

As of June 30, 2011, HomeShare Vermont, Inc. had transferred \$100,000 of the Polly Rowe Fund to the Vermont Community Foundation and established the HomeShare Vermont Fund. The HomeShare Vermont Fund is the exclusive property of the Foundation, which shall have the ultimate authority and control over all property in the Fund, including earnings and appreciation derived from the property. In accordance with the spending policy in effect as set by the Board of Directors of the Foundation, the Foundation will annually distribute to HomeShare Vermont, Inc. a percentage of the market value of the Fund. This amount will be calculated at the beginning of each fiscal year of the Foundation and communicated to HomeShare Vermont, Inc. at that time. Any other requests for distribution by HomeShare Vermont, Inc. shall be advisory and not binding on the Foundation. A decision by the Foundation to return the Fund to HomeShare Vermont, Inc. will be made if circumstances occur that, in the sole and absolute discretion of the Board of the Foundation, make it desirable and in the best interest of HomeShare Vermont Inc. and/or the Foundation for the funds to be returned.

As the investment vehicle for the assets of the Fund, HomeShare Vermont, Inc. selected the Foundation's "Primary Pool, which is a mix of equities, alternatives and fixed income. The Fund is reported in the statement of financial position of HomeShare Vermont, Inc. at its fair market value, which is determined by the Fund's underlying assets. The fair market value was \$108,141 as of June 30, 2011 and \$48,344 as of June 30, 2010. An unrealized gain on investments of \$9,796 was recognized in the statement of activities for the increase in the fair market value incurred during the year ended June 30, 2011, and an unrealized loss of \$1,656 was recognized for the year ended June 30, 2010. No distributions were made from the Fund to HomeShare, Vermont, Inc. during the years ended June 30, 2011 and 2010.