

2009
Review

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COMMUNITY FOUNDATION FOR NANTUCKET, INC.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2009 and 2008

COMMUNITY FOUNDATION FOR NANTUCKET, INC.

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Burke & Lamb, P.C.

Certified Public Accountants

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To the Board of Directors of
Community Foundation for Nantucket, Inc.
Nantucket, Massachusetts

ACCOUNTANTS' REVIEW REPORT

We have reviewed the accompanying statement of financial position of Community Foundation for Nantucket, Inc. (a nonprofit corporation) as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years 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 Community Foundation for Nantucket, Inc.

A review consists principally of inquiries of Organization 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 reviews, 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.

Burke & Lamb, P.C.
Burke & Lamb, P.C.
Certified Public Accountants
New Bedford, Massachusetts
May 10, 2010

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COMMUNITY FOUNDATION FOR NANTUCKET, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2009 and 2008

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ASSETS

	2009	2008
Cash and cash equivalents	\$142,700	\$148,363
Investments	165,209	19,415
Contributions receivable	83,476	66,000
Prepaid expenses	1,998	2,289
Total current assets	<u>393,383</u>	<u>236,067</u>
Contributions receivable, long term	<u>133,592</u>	<u>151,133</u>
Total Assets	<u>\$526,975</u>	<u>\$387,200</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$4,917	\$2,520
Total current liabilities	<u>4,917</u>	<u>2,520</u>
Net assets		
Unrestricted		
Designated donor advised funds	207,537	191,059
Other	<u>314,521</u>	<u>193,621</u>
Total unrestricted net assets	<u>522,058</u>	<u>384,680</u>
Total Liabilities and Net Assets	<u>\$526,975</u>	<u>\$387,200</u>

See Accompanying Notes and Accountants' Report

COMMUNITY FOUNDATION FOR NANTUCKET, INC.

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Unrestricted Revenues & Gain:		
Contributions	\$360,140	\$156,833
Dividends and interest	4,910	3,542
Realized/Unrealized gain (loss) on investments	11,026	(11,366)
Administrative fee income	2,665	0
Other income	2,801	0
Total unrestricted revenues and gains	<u>381,542</u>	<u>149,009</u>
Expenses:		
Grants	93,645	33,800
Administrative and operating	150,519	55,871
Total expenses	<u>244,164</u>	<u>89,671</u>
Change in unrestricted net assets	137,378	59,338
Net assets, beginning of year	<u>384,680</u>	<u>325,342</u>
Net assets, end of year	<u>\$522,058</u>	<u>\$384,680</u>

See Accompanying Notes and Accountants' Report

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COMMUNITY FOUNDATION FOR NANTUCKET, INC.

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2009 and 2008

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	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in unrestricted net assets	\$137,378	\$59,338
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized/Unrealized (gain) loss on investments	(11,026)	11,366
Changes in assets and liabilities:		
Contributions receivable	65	20,165
Prepaid expenses	291	(1,206)
Accounts payable	2,397	1,650
Accrued payroll liabilities	0	(1,288)
Grant payable	0	(50,000)
Net cash provided by operating activities	<u>129,105</u>	<u>40,025</u>
Cash flows from investing activities:		
Purchase of investments	(183,330)	(16,110)
Proceeds from sale of investments	48,562	51,107
Net cash provided by (used in) investing activities	<u>(134,768)</u>	<u>34,997</u>
Net increase (decrease) in cash and cash equivalents	(5,663)	75,022
Cash and cash equivalents, beginning of year	<u>148,363</u>	<u>73,341</u>
Cash and cash equivalents, end of year	<u>\$142,700</u>	<u>\$148,363</u>

See Accompanying Notes and Accountants' Report

COMMUNITY FOUNDATION FOR NANTUCKET, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE A – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Organization:

The Community Foundation for Nantucket, Inc. (the Foundation) is a not-for-profit corporation established under the laws of the Commonwealth of Massachusetts. The Foundation is a community foundation established for the receipt and distribution of charitable funds primarily for the Nantucket, MA community.

Basis of Accounting:

The financial statements of the Foundation have been prepared utilizing the accrual basis of accounting.

Basis of Presentation:

Financial statement presentation follows the recommendations of the FASB ASC 958-225-45 formerly SFAS No. 117, Financial Statements for Not-for-Profit Organizations. Under FASB ASC 958-225-45, the Foundation 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. Accounting standards provide that if the governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as unrestricted net assets. Accordingly, the financial statements classify all net assets as unrestricted.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents:

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

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COMMUNITY FOUNDATION FOR NANTUCKET, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

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NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Investments:

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Income Tax Status:

The Foundation is qualified under Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. Consequently, no provision for income taxes is reflected in these financial statements.

Advertising:

The Foundation expenses advertising costs as incurred. Advertising costs were \$48,258 and \$360 for the years ended December 31, 2009 and 2008, respectively.

Reclassifications:

Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 presentation.

NOTE B – INVESTMENTS:

The Foundation reports its investment in marketable securities at fair value in accordance with FASB ASC 820-10 (formerly SFAS No. 157), Fair Value Measurements. Cost and market values are as follows:

	December 31, 2009		December 31, 2008	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	\$151,256	\$165,209	\$30,948	\$19,415
	\$151,256	\$165,209	\$30,948	\$19,415

COMMUNITY FOUNDATION FOR NANTUCKET, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE B – INVESTMENTS (CONTINUED):

This statement requires fair value measurements be classified and disclosed in one of the following categories:

Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.

Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant observable inputs or valuation techniques.

Table Disclosing the Fair Values of Foundation Assets by Category

Asset Category	Fair Value Measurements at December 31, 2009			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities:				
Equity mutual funds	\$80,274	\$80,274	\$0	\$0
Fixed income securities:				
Fixed income mutual funds	84,935	84,935	0	0
	<u>\$165,209</u>	<u>\$165,209</u>	<u>\$0</u>	<u>\$0</u>

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COMMUNITY FOUNDATION FOR NANTUCKET, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

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NOTE C – CONCENTRATION OF CREDIT RISK:

The Foundation maintains their cash accounts and certificate of deposit at a local bank. At times throughout the year the amount or deposit may exceed federally insured limits. The Foundation has not experienced any losses in such accounts.

NOTE D – GRANTS APPROVED/PAID:

	2009 Grants		Unpaid
	Approved	Paid	Balance @ 12/31/2009
Arts and Humanities	\$36,600	\$36,600	\$0
Philanthropy and Community	25,300	25,300	0
Conservation and Preservation	27,720	27,720	0
Social Services	4,025	4,025	0
	<u>\$93,645</u>	<u>\$93,645</u>	<u>\$0</u>

	2008 Grants		Unpaid
	Approved	Paid	Balance @ 12/31/2008
Arts and Humanities	\$9,300	\$9,300	\$0
Social Services	24,500	24,500	0
	<u>\$33,800</u>	<u>\$33,800</u>	<u>\$0</u>

NOTE E – PROMISES TO GIVE:

Included in "Contributions Receivable" are the following unconditional promises to give:

	2009	2008
Contributions pledged	\$230,026	\$232,000
Unamortized discount	(12,958)	(14,867)
	<u>\$217,068</u>	<u>\$217,133</u>
Amounts due in:		
Less than one year	\$83,476	\$66,000
One to five years	133,592	151,133
	<u>\$217,068</u>	<u>\$217,133</u>

COMMUNITY FOUNDATION FOR NANTUCKET, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE E – PROMISE TO GIVE (CONTINUED):

The interest rate used for calculating the discount was 2.69%.

Management believes the contributions pledged will be collected in full and therefore, there is no allowance for uncollectible pledges.

NOTE F – MAJOR DONORS:

Contributions from one donor comprised 21% of contribution revenue in 2009 and contributions from two donors comprised 32% of contribution revenue in 2008. At December 31, 2009 and 2008, a donor represented 65% and 86%, respectively, of gross contributions receivable.

NOTE G – LEASE:

The Foundation leases its office space on a month to month basis at \$291 per month. Rent expense for 2009 and 2008 was \$3,492.

NOTE H – SUBSEQUENT EVENTS:

Management has evaluated subsequent events through May 10, 2010, the date which the financial statements were available to be issued.

NOTE I – MANAGEMENT CONSULTING AGREEMENT:

The Foundation is under a contractual agreement with Greater Horizons, for Greater Horizons to provide management consulting services to the Foundation. The agreement, dated December 29, 2008, commenced on January 1, 2009 and continued through December 31, 2009. The fee for such services was \$30,000, plus an administrative fee equal to 0.15% of the fair value of assets transferred by the foundation to Greater Horizons. The agreement has been extended through 2010 at an annual fee of \$20,000.

Greater Horizons is administered by the Greater Kansas City Community Foundation and is a 501(c)(3) organization. The Foundation has chosen to allocate certain investments using Greater Horizon's investment pools.

COMMUNITY FOUNDATION FOR NANTUCKET, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE J – FUNDRAISING COSTS:

Allocable fundraising costs were \$44,926 and \$11,263, for the years ended December 31, 2009 and 2008, respectively.

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