

DELAWARE VALLEY GRANTMAKERS

*FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS*

DECEMBER 31, 2007 AND 2006

DELAWARE VALLEY GRANTMAKERS

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TAIT, WELLER & BAKER LLP

Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Board of Directors
Delaware Valley Grantmakers
Philadelphia, Pennsylvania**

We have audited the accompanying statement of financial position of Delaware Valley Grantmakers as of December 31, 2007, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year 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. The prior year summarized comparative information has been derived from the Delaware Valley Grantmaker's 2006 financial statements and, in our report dated March 7, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit 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 audit provides 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 Delaware Valley Grantmakers as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
April 16, 2008**

DELAWARE VALLEY GRANTMAKERS

STATEMENTS OF FINANCIAL POSITION

December 31, 2007 And 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 495,310	\$276,365
Dues and grants receivable	49,500	112,000
Prepaid expenses	<u>17,710</u>	<u>8,475</u>
Total current assets	<u>562,520</u>	<u>396,840</u>
NONCURRENT ASSETS		
Dues and grants receivable	-	17,000
Furniture and equipment, - net	3,668	3,431
Security deposit	<u>1,460</u>	<u>1,460</u>
Total assets	<u>\$ 567,648</u>	<u>\$418,731</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 4,073	\$ 8,504
Accrued expenses	<u>11,077</u>	<u>8,003</u>
Total current liabilities	<u>15,150</u>	<u>16,507</u>
NET ASSETS		
Unrestricted	302,681	226,477
Temporarily restricted	<u>249,817</u>	<u>175,747</u>
Total net assets	<u>552,498</u>	<u>402,224</u>
Total liabilities and net assets	<u>\$ 567,648</u>	<u>\$418,731</u>

DELAWARE VALLEY GRANTMAKERS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For The Year Ended December 31, 2007 With Summarized Information For 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2007</u>	<u>2006</u>
Revenues				
Dues	\$ 353,600	\$ 64,900	\$ 418,500	\$ 425,910
Fees and other income	71,968	-	71,968	50,328
Grants	7,280	136,100	143,380	146,765
Interest	17,674	-	17,674	11,245
Net assets released from restrictions satisfaction of program restrictions	<u>126,930</u>	<u>(126,930)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>577,452</u>	<u>74,070</u>	<u>651,522</u>	<u>634,248</u>
Expenses				
Program services				
Member services	138,346	-	138,346	161,852
Conferences and meetings	122,339	-	122,339	137,670
Strategic plan initiative	<u>139,101</u>	<u>-</u>	<u>139,101</u>	<u>39,580</u>
Total program services	<u>399,786</u>	<u>-</u>	<u>399,786</u>	<u>339,102</u>
Support services				
Management and general	<u>101,462</u>	<u>-</u>	<u>101,462</u>	<u>99,893</u>
Total expenses	<u>501,248</u>	<u>-</u>	<u>501,248</u>	<u>438,995</u>
Change in net assets	76,204	74,070	150,274	195,253
Net Assets				
Beginning of year	<u>226,477</u>	<u>175,747</u>	<u>402,224</u>	<u>206,971</u>
End of year	<u>\$ 302,681</u>	<u>\$ 249,817</u>	<u>\$ 552,498</u>	<u>\$ 402,224</u>

DELAWARE VALLEY GRANTMAKERS

STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2007 With Summarized Information For 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenues and support collected	\$ 713,348	\$ 498,121
Payments for compensation and expenses	(510,816)	(439,330)
Interest income	<u>17,674</u>	<u>11,245</u>
Net cash provided by operating activities	<u>220,206</u>	<u>70,036</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture and equipment	<u>(1,261)</u>	<u>(2,930)</u>
Net increase in cash and cash equivalents	218,945	67,106
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>276,365</u>	<u>209,259</u>
End of year	<u>\$ 495,310</u>	<u>\$ 276,365</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED BY) OPERATING ACTIVITIES		
Change in net assets	<u>\$ 150,274</u>	<u>\$ 195,253</u>
Adjustments to reconcile change in net assets to net cash provided (used by) operating activities		
Depreciation	1,024	2,712
(Increase) decrease in operating assets		
Dues and grants receivable	79,500	(129,000)
Other receivable	-	4,118
Prepaid expenses	(9,235)	(3,573)
Increase (decrease) in operating liabilities		
Accounts payable	(4,431)	535
Accrued expenses	<u>3,074</u>	<u>(9)</u>
Total adjustments	<u>69,932</u>	<u>(125,217)</u>
Net cash provided by operating activities	<u>\$ 220,206</u>	<u>\$ 70,036</u>

DELAWARE VALLEY GRANTMAKERS

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2007 With Summarized Information For 2006

	Member Services	Conferences And Meetings	Strategic Plan Implementation	Total Program Services	Management And General	Totals	
						2007	2006
Salaries	\$ 74,337	\$ 46,233	\$ 60,065	\$180,635	\$ 57,339	\$237,974	\$220,724
Employee Benefits	8,278	5,135	5,748	19,161	6,388	25,549	21,256
Payroll Taxes	<u>6,586</u>	<u>4,086</u>	<u>5,873</u>	<u>16,545</u>	<u>5,081</u>	<u>21,626</u>	<u>19,770</u>
Total Personnel	89,201	55,454	71,686	216,341	68,808	285,149	261,750
Accounting, Legal and Other Consulting fees	3,404	7,269	62,214	72,887	8,922	81,809	36,552
Advertising	-	-	-	-	-	-	250
Copy and Printing Fees	3,367	11,517	4,561	19,445	1,870	21,315	19,700
Equipment Lease	1,411	941	-	2,352	783	3,135	3,719
Insurance	1,730	1,154	-	2,884	961	3,845	3,927
Maintenance	1,361	907	-	2,268	756	3,024	3,065
Meeting Expenses	1,890	20,646	555	23,091	1,051	24,142	29,599
Miscellaneous	634	3,670	-	4,304	352	4,656	2,082
Office Supplies	1,958	1,305	-	3,263	1,087	4,350	3,761
On Line Services	1,620	1,080	85	2,785	899	3,684	3,599
Postage and Delivery	1,991	2,646	-	4,637	1,106	5,743	5,166
Rent	14,321	9,548	-	23,869	7,956	31,825	31,917
Staff Development	403	269	-	672	223	895	3,185
Dues and Subscriptions	7,550	-	-	7,550	2,517	10,067	9,246
Telephone	1,182	788	-	1,970	657	2,627	2,405
Travel and Accommodations	2,746	2,760	-	5,506	1,526	7,032	5,767
Website & Information Technology	<u>3,117</u>	<u>2,078</u>	<u>-</u>	<u>5,195</u>	<u>1,731</u>	<u>6,926</u>	<u>10,593</u>
Total Before Depreciation	137,886	122,032	139,101	399,019	101,205	500,224	436,283
Depreciation	<u>460</u>	<u>307</u>	<u>-</u>	<u>767</u>	<u>257</u>	<u>1,024</u>	<u>2,712</u>
Total Functional Expenses	<u>\$138,346</u>	<u>\$122,339</u>	<u>\$139,101</u>	<u>\$399,786</u>	<u>\$101,462</u>	<u>\$501,248</u>	<u>\$438,995</u>

See notes to financial statements.

DELAWARE VALLEY GRANTMAKERS

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

(1) NATURE OF ACTIVITIES

Delaware Valley Grantmakers (the “*Organization*”) was incorporated on July 27, 1988 under the laws of the Commonwealth of Pennsylvania. Delaware Valley Grantmakers is an association of grantmakers in Greater Philadelphia and surrounding areas that works actively to help philanthropy strengthen and improve the health and vitality of our communities. The Organization seeks to increase the impact and effectiveness of philanthropy by serving as a forum for learning and networking; a resource on information for and about the region’s grantmakers; and a voice to encourage and advocate for philanthropy.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements are prepared on the accrual basis of accounting.

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

The Organization maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

CASH AND CASH EQUIVALENTS

The Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

FURNITURE AND EQUIPMENT

Furniture and equipment are stated at cost. Depreciation is provided on the straight-line basis over the estimated useful life of 5 years for equipment and furniture.

DELAWARE VALLEY GRANTMAKERS

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2007 and 2006

NET ASSETS

Net assets are classified as unrestricted or temporarily restricted in accordance with donor-imposed restrictions. Each of the classes of net assets are displayed in the financial statements and the amounts of changes of each class of net assets are displayed in the Statement of Activities and Changes in Net Assets.

Net Assets

Unrestricted – Represent net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted – Represent net assets subject to donor-imposed stipulations.

MEMBERSHIP DUES

Delaware Valley Grantmakers provides members with information, tools and networking opportunities for effective grantmaking. Membership dues are assessed on a sliding scale based on a member's total prior year grants awarded.

GRANTS

Delaware Valley Grantmakers reports grants of cash as temporarily restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

INCOME TAXES

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

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.

PRIOR YEAR FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the period ended December 31, 2006, from which the summarized information was derived.

DELAWARE VALLEY GRANTMAKERS

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2007 and 2006

(3) DUES AND GRANTS RECEIVABLE

Dues and grants receivable represents multi-year grants related to the Organization's strategic plan implementation. The Organization has commitments to receive the receivable of \$49,500 in 2008.

(4) FURNITURE AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2007</u>	<u>2006</u>
Furniture and fixtures	\$ 8,276	\$ 8,276
Equipment	<u>47,404</u>	<u>46,143</u>
	55,680	54,419
Less: Accumulated depreciation	<u>52,012</u>	<u>50,988</u>
	<u>\$ 3,668</u>	<u>\$ 3,431</u>

Total depreciation expense for the years ended December 31, 2007 and 2006 was \$1,024 and \$2,712, respectively.

(5) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, were available for the following purposes:

<u>General</u>	<u>2007</u>	<u>2006</u>
Annual Meeting – 2007	\$ -	\$ 1,500
Membership Dues – 2008	64,900	-
Membership Dues – 2007	-	48,100
Strategic Planning	149,917	126,147
Behavioral Health	<u>35,000</u>	<u>-</u>
Total	<u>\$249,817</u>	<u>\$175,747</u>

Net assets were released from donor restrictions by satisfying the restricted purpose, as follows:

<u>General</u>	<u>2007</u>	<u>2006</u>
Annual Meeting	\$ 1,500	\$ 3,500
Membership Dues – 2007	48,100	-
Membership Dues – 2006	-	20,250
Strategic Planning	77,330	18,425
Regional Effectiveness Initiative	<u>-</u>	<u>21,154</u>
Total	<u>\$126,930</u>	<u>\$63,329</u>

DELAWARE VALLEY GRANTMAKERS

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2007 and 2006

(6) RETIREMENT PLAN

Delaware Valley Grantmakers maintains an Employer-Sponsored 403(b) Tax-Sheltered Annuity Plan. Employees are eligible to participate in the plan through elected salary reduction contributions upon employment. However, with respect to employer contributions, an employee is eligible upon completing 1 year of service. Delaware Valley Grantmakers matches 50% of employee contributions to the plan up to 4% of the employees annual compensation. Additionally, Delaware Valley Grantmakers may make a discretionary contribution to plan participants. In 2007 and 2006, Delaware Valley Grantmakers made a discretionary contribution of 3% of the annual salary of eligible employees. Employer contributions to the 403(b) plan vest 25% per year over four years. Employer contributions to the plan for the years ended December 31, 2007 and 2006 were \$10,751 and \$8,106, respectively.

(7) COMMITMENTS

In November 2007, Delaware Valley Grantmakers entered into an addendum to its operating lease for its office facilities in order to obtain additional space. The addendum to the lease extends the term of the lease to November 30, 2012. In conjunction with the addendum to the office lease, DVG will sublease office space under a two year sublease commencing in February 2008. Rent expense for the years ended December 31, 2007 and 2006 was \$31,825 and \$31,917, respectively. Minimum future lease obligations under this lease (net of sublease rental income totaling \$18,581) are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2008	\$ 37,216
2009	38,653
2010	50,986
2011	53,023
2012	<u>49,683</u>
	<u>\$229,561</u>