

**Friends of Lincoln Community School, Inc.
Financial Statements
December 31, 2010**

Fraga & Lilja

CERTIFIED PUBLIC ACCOUNTANTS

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Accountants Compilation Report

Board of Directors
Friends of Lincoln Community School
Lincoln, VT

We have compiled the accompanying statement of assets, liabilities, and net assets - cash basis of Friends of Lincoln Community School, Inc. (a nonprofit organization) as of December 31, 2010 and the related statements of revenue, expenses, and other changes in net assets - cash basis for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

We are not independent with respect to Friends of Lincoln Community School

Fraga & Lilja

Fraga & Lilja, CPA's, PC

February 8, 2011

License number 92-0000217

Middlebury, VT

Friends of Lincoln Community School, Inc.
Statements of Assets
December 31, 2010

	2010
Assets	
Cash - Administration	\$ 68
Cash - Donor Account	50,420
Total Assets	<u>\$ 50,488</u>
Net Assets	
Restricted	68
Unrestricted	\$ 50,420
Total Net Assets	<u>\$ 50,488</u>

Friends of the Lincoln Community School
Statement of revenue, expenses and other changes in net assets
December 31, 2010

2010

Unrestricted Net Assets

Unrestricted revenues	
Contributions - General	\$ 25,685
Grants - Unrestricted	25,000
Other revenues	5
Total Unrestricted Revenues	50,690
Expenses	
Program Services	
Grants	270
Total Expenses allocated to unrestricted funds	270
Net Unrestricted Net Assets at end of year	50,420

Restricted Net Assets

Restricted Revenue	
Contributions - Administration	2,000
Total Restricted Revenue	2,000
Supporting services	
Management and General	903
Fundraising	1,029
Total Expenses allocated to restricted funds	1,932
Net Restricted Net Assets at end of year	\$ 68

Friends of the Lincoln Community School, Inc.
Notes to Financial Statements

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Friends of the Lincoln Community School, Inc. (the Organization) is a Non-Profit 501 (C) (3) formed by LCS parents and community members to support the school's ambitious curriculum and enrichment activities through fundraising and grants

Basis of Accounting

The Organizations accounting records are maintained on the cash basis of accounting.

Contributed Services

No amounts have been reflected in the financial statements for donated services.

Estimates

The preparation of financial statements require management to make estimates and assumptions that effect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donations.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)3 of the Internal Revenue Code and classified as a public charity.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

NOTE B EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 4, 2011, the date which the financial statements were available to be issued.

NOTE C - DESIGNATED ASSETS

The following amounts have been approved by the board of directors at December 31, 2010:

Technology	\$3,499.
Arts and Culture	4,250.
Other Programs	600.
Total	\$8,349.

December 31, 2010, disbursed in January 2011

Technology	\$ 270.
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This information is not reflected in the cash basis statements.

NOTE D – RESTRICTED CONTRIBUTIONS

Contributions restricted for administration expenses are summarized as follows:

Contribution	\$ <u>2,000</u>
Administration Expenses:	
General	903
Fund Raising	<u>1,029</u>
Total	<u>1,932</u>
Balance to next year	\$ <u>68</u>