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Date: December 17, 2012
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FOR IMMEDIATE RELEASE

Vermont Not For Profit Organizations State Challenges and Financial Outlook

- *Demand for services increase*
- *Most expect to only break-even or have a deficit in 2012*
- *Fundraising and staff compensation among most pressing issues*

Williston, VT December 17, 2012 – The Certified Public Accounting firm of Davis & Hodgdon Associates CPAs – PLC, located in Williston, Vermont, conducted a survey of Vermont-based not for profit organizations regarding their most pressing issues.

Not for Profits organizations around the state responded to a range of questions regarding financial information and operational challenges. Respondents were asked to identify their annual revenue, operating budget, as well as expected operating budget. They were also asked to rank the most pressing issues faced by their organization.

Of the Vermont not for profit organizations surveyed, it was revealed that the most pressing challenges faced are fundraising and staff compensation. 68% of respondents are very concerned about the issue of fundraising, while 44% are also very concerned about staff compensation. Other noteworthy challenges faced by those polled include board member education (24% very concerned), financial compliance and reporting (20% very concerned), and employee morale (12% very concerned).

Respondents were asked to gauge the demand for their services over the last 12 months. Of those surveyed, more than half identified an increase in the demand for their services. 24% of which saw a slight increase while 40% experienced a significant increase in demand. Of those that have seen a significant increase, 30% are from the education sector while another 30% are from the human services sector.

In regards to economic optimism, 56% of respondents ended the fiscal year 2011 with an operating surplus, while only 28% expect to have a surplus in 2012. Of those that expect a surplus in 2012, 85% ended 2011 with an operating surplus and 15% with an operating deficit.

32% of respondents reported an operating deficit for 2011. 32% also expect a deficit in 2012, but only 37% of those that reported a deficit in 2011 expect a deficit in 2012. 50% of those that reported a deficit in 2011 anticipate to “break even” in 2012, while only 12% of those same respondents expect an operating surplus.

How does Davis & Hodgdon’s managing partner, John Davis, sum up the results? “It is not surprising that two of the most prominent challenges faced by Vermont not for profits are fundraising and staff compensation. Fundraising is affected by many factors including economic climate and proper staffing. Not for profits need to become even more creative in terms of fundraising, embrace technology and use the Internet and social media to fuel their efforts. Donors are savvier in determining whether they are getting the ‘bang for their bucks’ at charitable organizations. The organizations need to better measure and communicate their results with the public.” In regards to staffing concerns Davis added, “Recruiting and retaining talent has historically been a challenge for this industry, but one that could be assisted by creative incentive plans with additional emphasis placed on fringe benefits and quality of life issues.”

For complete survey results, go to <http://survey.constantcontact.com/survey/a07e6iz2n1oh8g53xg8/results>
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