

**Thompson Island Outward Bound  
Education Center, Inc. and  
Thompson Island Education Center, Inc.**

**Combined Financial Statements  
December 31, 2010**

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.**

**Combined Financial Statements**

**December 31, 2010**

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**Independent Auditor's Report**

To: The Board of Directors of  
Thompson Island Outward Bound Education Center, Inc. and  
Thompson Island Education Center, Inc.  
Boston, Massachusetts

We have audited the accompanying combined statement of financial position of Thompson Island Outward Bound Education Center, Inc. (a not-for-profit organization) and Thompson Island Education Center, Inc. (a not-for-profit organization) as of December 31, 2010, and the related combined statements of activities, functional expenses and cash flows, for the year then ended. These combined 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 financial information has been derived from financial statements of Thompson Island Outward Bound Education Center, Inc. and Thompson Island Education Center, Inc. as of December 31, 2009, and our Independent Auditors' Report dated February 5, 2010, which expressed an unqualified opinion on those statements. The prior year comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

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 the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Thompson Island Outward Bound Education Center, Inc. and Thompson Island Education Center, Inc. as of December 31, 2010, and the results of their changes in net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Siegrist & Cree, CPAs, PC  
April 11, 2011

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.  
Combined Statement of Financial Position  
December 31, 2010  
(With Comparative Totals as of December 31, 2009)**

	<b>Assets</b>	
	<b>2010</b>	<b>2009</b>
<b>Current assets</b>		
Cash	\$ 501,568	\$ 316,368
Accounts receivable	98,853	82,841
Grants receivable	278,788	231,339
Pledges receivable, net of allowance of \$4,719	78,171	274,304
Inventory	53,755	55,238
Prepaid expenses	52,688	43,524
Other current assets	4,667	4,667
<b>Total current assets</b>	<b>1,068,490</b>	<b>1,008,281</b>
<b>Property and equipment</b>		
Land and buildings	9,448,320	9,432,861
Equipment	4,609,142	4,555,675
Capitalized lease equipment	11,695	11,695
	<b>14,069,157</b>	<b>14,000,231</b>
Less: Accumulated depreciation/amortization	(7,740,539)	(7,308,813)
<b>Total property and equipment</b>	<b>6,328,618</b>	<b>6,691,418</b>
<b>Other assets</b>		
Investments	5,096,908	4,494,760
Pledges receivable	-	71,839
Insurance retention deposit	95,250	95,250
<b>Total other assets</b>	<b>5,192,158</b>	<b>4,661,849</b>
<b>Total assets</b>	<b>\$ 12,589,266</b>	<b>\$ 12,361,548</b>
	<b>Liabilities and Net Assets</b>	
<b>Current liabilities</b>		
Accounts payable	\$ 29,116	\$ 11,295
Accrued expenses	304,430	221,464
Customer deposits	263,494	75,053
<b>Total current liabilities</b>	<b>597,040</b>	<b>307,812</b>
<b>Net assets</b>		
Unrestricted	6,885,935	6,724,530
Temporarily restricted	1,955,037	2,196,793
Permanently restricted	3,151,254	3,132,413
<b>Total net assets</b>	<b>11,992,226</b>	<b>12,053,736</b>
<b>Total liabilities and net assets</b>	<b>\$ 12,589,266</b>	<b>\$ 12,361,548</b>

The Independent Auditor's Report and the accompanying notes  
are an integral part of these combined financial statements.

**Thompson Island Outward Bound Education Center, Inc  
and Thompson Island Education Center, Inc.  
Combined Statement of Activity  
For the Year ended December 31, 2010  
(With Comparative Totals for the Year Ended December 31, 2009)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2010 Total</u>	<u>2009 Total</u>
<b>Public support and revenues</b>					
Public support					
Contributions and grants	\$ 690,886	\$ 445,956	\$ 150	\$ 1,136,992	\$ 1,526,378
Special events, net	308,145	-	-	308,145	253,753
Total public support	<u>999,031</u>	<u>445,956</u>	<u>150</u>	<u>1,445,137</u>	<u>1,780,131</u>
Revenue					
Enterprise revenue	1,220,865	-	-	1,220,865	995,388
Unrealized gain or loss on investments	77,283	398,608	18,691	494,582	738,515
Outward Bound program	692,953	-	-	692,953	721,829
Outward Bound professional	325,636	-	-	325,636	364,559
Grants	-	135,575	-	135,575	204,339
Investment income	110,857	-	-	110,857	102,043
Other income	17,993	-	-	17,993	17,446
Gain/(Loss) on disposition of assets	690	-	-	690	2,000
Release of restricted funds	1,221,895	(1,221,895)	-	-	-
Total revenue	<u>3,668,172</u>	<u>(687,712)</u>	<u>18,691</u>	<u>2,999,151</u>	<u>3,146,119</u>
<b>Total public support and revenues</b>	<u>4,667,203</u>	<u>(241,756)</u>	<u>18,841</u>	<u>4,444,288</u>	<u>4,926,250</u>
<b>Expenses</b>					
Program services	3,480,905	-	-	3,480,905	2,986,287
General and administrative	492,053	-	-	492,053	584,819
Fundraising	506,242	-	-	506,242	403,951
<b>Total expenses</b>	<u>4,479,200</u>	<u>-</u>	<u>-</u>	<u>4,479,200</u>	<u>3,975,057</u>
<b>Change in net assets</b>	<u>188,003</u>	<u>(241,756)</u>	<u>18,841</u>	<u>(34,912)</u>	<u>951,193</u>
<b>Net assets, beginning of year, as reported</b>	6,724,530	2,196,793	3,132,413	12,053,736	11,102,543
<b>Adjustment to accumulated depreciation</b>	<u>(26,598)</u>	<u>-</u>	<u>-</u>	<u>(26,598)</u>	<u>-</u>
<b>Net assets, beginning of year restated</b>	<u>6,697,932</u>	<u>2,196,793</u>	<u>3,132,413</u>	<u>12,027,138</u>	<u>11,102,543</u>
<b>Net assets, end of year</b>	<u>\$ 6,885,935</u>	<u>\$ 1,955,037</u>	<u>\$ 3,151,254</u>	<u>\$11,992,226</u>	<u>\$12,053,736</u>

The Independent Auditor's Report and the accompanying notes  
are an integral part of these combined financial statements.

**Thompson Island Outward Bound Education Center, Inc  
and Thompson Island Education Center, Inc.  
Combined Statement of Functional Expenses  
For the Year Ended December 31, 2010  
(With Comparative Totals for the Year Ended December 31, 2009)**

	Program Services			Supporting Services			
	Outward Bound		Enterprise	Total Programs	General & Admin.	Fundraising	Total
	Professional	Programs					
<b>Payroll and related expenses</b>							
Salaries	\$ 910,169	\$ 134,856	\$ 421,040	\$ 1,466,065	\$ 278,465	\$ 289,633	\$ 2,034,163
Fringe benefits and payroll taxes	204,898	31,059	84,747	320,704	66,666	73,590	460,960
<b>Total payroll and related expenses</b>	<b>1,115,067</b>	<b>165,915</b>	<b>505,787</b>	<b>1,786,769</b>	<b>345,131</b>	<b>363,223</b>	<b>2,495,123</b>
Depreciation	193,763	24,536	196,871	415,170	-	-	415,170
Outside services	189,362	19,938	92,154	301,454	43,289	32,188	376,931
Food and beverage	101,598	(2,262)	164,351	263,687	2,981	4,597	271,265
Equipment and facilities rental	46,366	8,277	110,447	165,090	22,075	25,038	212,203
Insurance	53,658	6,758	58,936	119,352	9,625	-	128,977
Supplies	49,717	6,912	41,353	97,982	4,353	10,923	113,258
Professional fees	72,028	122	-	72,150	32,740	-	104,890
Utilities and gasoline	39,914	5,054	40,554	85,522	4,735	-	90,257
Dues and subscriptions	12,176	4,598	22,619	39,393	8,606	22,282	70,281
Promotion	3,631	3,710	43,464	50,805	-	-	50,805
Voice and data	19,603	4,814	8,933	33,350	9,864	5,546	48,760
Credit card and financial fees	5,856	1,728	14,304	21,888	3,170	2,468	27,526
Bad debts	-	-	307	307	-	24,000	24,307
Travel and entertainment	13,104	1,120	2,340	16,564	2,910	1,521	20,995
Printing	4,238	-	-	4,238	1,241	9,923	15,402
Postage and delivery	2,059	112	192	2,363	600	5,307	8,270
Miscellaneous	637	894	3,290	4,821	-	(774)	4,047
Interest expense	-	-	-	-	733	-	733
<b>Total expenses</b>	<b>\$ 1,922,777</b>	<b>\$ 252,226</b>	<b>\$ 1,305,902</b>	<b>\$ 3,480,905</b>	<b>\$ 492,053</b>	<b>\$ 506,242</b>	<b>\$ 4,479,200</b>
							<b>\$ 3,975,057</b>

The Independent Auditor's Report and the accompanying notes are an integral part of these combined financial statements.

**Thompson Island Outward Bound Education Center  
and Thompson Island Education Center, Inc.  
Combined Statement of Cash Flows  
For the Year Ended December 31, 2009  
(With Comparative Totals for the Year Ended December 31, 2008)**

	<b>2010</b>	<b>2009</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (34,912)	\$ 951,193
Depreciation	415,170	439,017
Bad debts	-	-
Unrealized (gain)loss on investments	(601,998)	(832,779)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) Decrease in:		
Accounts receivable	(63,461)	(175,252)
Pledges receivable	267,972	(8,046)
Prepaid expenses	(9,164)	(1,617)
Inventory	1,483	(9,191)
Increase (Decrease) in:		
Accounts payable	17,821	(54,114)
Accrued expenses	82,966	(958)
Deposits	188,441	(17,677)
<b>Net cash provided by operating activities</b>	<b>264,318</b>	<b>290,576</b>
<b>Cash flows from investing activities</b>		
Purchase of equipment and leasehold improvements, net of disposals	(78,968)	(70,686)
Purchase of investments	(150)	(50,000)
<b>Net cash used by investing activities</b>	<b>(79,118)</b>	<b>(120,686)</b>
<b>Cash flows from financing activities</b>		
Payments on long term debt	-	(90,438)
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>(90,438)</b>
<b>Net Increase (decrease) in cash and cash equivalents</b>	185,200	79,452
<b>Cash and cash equivalents at beginning of year</b>	<b>316,368</b>	<b>236,916</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 501,568</b>	<b>\$ 316,368</b>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for:		
Interest	\$ 733	6,535
Taxes	\$ -	0

The Independent Auditor's Report and the accompanying notes  
are an integral part of these combined financial statements.

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**Note 1 - NATURE OF OPERATIONS**

Thompson Island Outward Bound Education Center, Inc. and Thompson Island Education Center, Inc. ("the organization") are not-for-profit organizations whose primary purpose is to provide outdoor adventure and challenging learning programs for young people from diverse economic backgrounds as well as adults seeking teambuilding and leadership programs. The programs are designed to build character development throughout all age groups and inspire youth to become leaders in society.

The organization is a member of the Boston Harbor Islands Partnership ("the partnership"), an organization established in 1997 to coordinate management of the Boston Harbor Islands National park, which includes Thompson Island. The partnership is composed of a 13 member board representing various public and private agencies.

**Note 2 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The organization's financial statements are presented utilizing the accrual basis of accounting.

The financial statement presentation is in accordance with the recommendations of the topic of the FASB Accounting Standards Codification, *Financial Statements of Not-for-Profit Organizations*. Under the codification, the organization 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.

The combined financial statements include the account balances of both organizations mentioned above. All material inter-entity balances and transactions have been eliminated in these combined financial statements.

**Cash and Cash Equivalents**

For purposes of the combined statement of cash flows, the organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are charged to bad debt expense as they are deemed uncollectible based upon periodic review of aging and collections. Management is responsible for evaluating the current status of individual accounts and determining their collectability.

**Promises to Give**

Promises to give are recognized as contributions revenue in the period when the donor makes the promise to give. The promises to give are recorded as Unrestricted Net Assets or Temporarily Restricted Net Assets if any restrictions exist. The restricted promises to give are released from Temporarily Restricted Net Assets when the restrictions are substantially met. An allowance for uncollectible promises to give of \$4,719 has been established at December 31, 2010.

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory consists of food products, and other merchandise held for sale or use. In addition the organization also maintains fuel inventory valued at \$53,755 as of December 31, 2010.

Property and Equipment

Any expenditure for land, buildings and equipment in excess of \$1,000 including significant renewals and betterments that extend the life of the asset are capitalized at cost. Donated assets are capitalized at the fair market value determined at the date of receipt. Depreciation is computed on the straight-line method over the estimated useful lives of the various assets.

Contributions

The organization accounts for its contributions under the topic in the FASB Accounting Standards Codification, *Accounting for Contributions Received and Contributions Made*. In accordance with the codification, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor except capital campaign pledges which are considered temporarily restricted. Unconditional promises to give are recognized as revenues in the period when the donor makes the promise to give. Conditional promises to give are recognized only when the requisite conditions have been substantially satisfied. Contributions that are restricted by the donor are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of restriction. When a 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.

Investments

The organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Donated Assets

Donated marketable securities and other items are reflected as contributions in the accompanying financial statements at their estimated fair market values at date of receipt.

Customer Deposits

The organization records client fees as deposits until the relative program services have been performed, at which time they are recognized as revenues.

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

Note 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Combined Statement of Activities.

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 other than a private foundation under Section 509(a) (2). The organization is also exempt from any state taxation. However, any income from activities not directly related to the organizations exempt purpose is subject to both federal and state taxation.

Advertising Costs

Advertising costs (promotion) are expensed as incurred and amounted to \$50,805 at December 31, 2010.

Estimates

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

Fair Value Measurements

The "Fair Value Measurements and Disclosures" topic in the FASB Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the codification and its applicability to the organization are described:

Level 1 – Pricing inputs are quoted prices available in active markets for identical investments as of the reporting date. As required by the codification, the organization does not adjust the quoted price for these investments, even in situations where the organization holds a large position and a sale could reasonably impact the quoted price.

Level 2 – Pricing inputs are quoted prices for similar investments, or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes investments valued at quoted prices adjusted for legal or contractual restrictions specific to these investments.

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 3 – Pricing inputs are unobservable for the investment, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Level 3 includes investments that are supported by little or no market activity.

As of December 31, 2010, the organization's assets were comprised entirely of Level 1 assets, primarily mutual funds and cash and cash equivalents. The organization had no assets valued at either Level 2 or Level 3 of the fair value hierarchy at December 31, 2010.

Subsequent Events

The management has reviewed subsequent events through April 11, 2011, the date at which the statements were approved and available for issuance.

Note 3 – RELATIONSHIP BETWEEN COMBINED ORGANIZATIONS

Thompson Island Outward Bound Education Center, Inc. and Thompson Island Education Center, Inc. are separate 501(C) (3) tax exempt organizations. The entities are financially interrelated with common management and board oversight. The organization's financial statements are presented as a combined entity, and all intercompany indebtedness, revenues and expenses have been eliminated.

Thompson Island Outward Bound Education Center, Inc was indebted to Thompson Island Education Center, Inc in the amount of \$4,664,663 at December 31, 2010. Interest expense for 2010 was \$206,737. Thompson Island Education Center, Inc. reported these same amounts and the indebtedness and revenue and expense have been eliminated in the combined statements.

Note 4 - PROMISES TO GIVE

Pledges receivable expected to be received in less than one year are recorded at net realizable value providing the pledge is not subject to conditions. Pledges expected to be received in greater than one year are recorded at the present value of estimated future cash flows discounted at 7.25% per annum. Unconditional pledges consist of the following at December 31, 2010:

Pledges receivable in less than one year	\$ 82,890
Less: Allowance for uncollectible pledges and discount	
Discount to present value	<u>(4,719)</u>
	<u><u>78,171</u></u>

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 5 – PROPERTY AND EQUIPMENT

The cost of property and equipment as of December 31, 2010 is summarized as follows:

Land and buildings	\$ 9,448,320
Equipment	3,793,887
Program equipment	815,255
Capital Lease	<u>11,695</u>
Total	14,069,157
Less: accumulated depreciation/amortization	<u>(7,740,539)</u>
Property and equipment, net	<u>\$ 6,328,618</u>

Depreciation expense for the year ended December 31, 2010 was \$415,170.

Note 6 – INVESTMENTS

In accordance with the "Fair Value Measurements and Disclosures" topic in the FASB Accounting Standards Codification the organization's investments are stated at fair value and consist primarily of mutual funds. The investments amounted to \$5,096,908 at December 31, 2010.

The following schedule summarizes the components of investment return in the statement of activities for the year ended December 31, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment income (loss)	\$ 103,640	\$ -	\$ -	\$ 103,640
Investment fees	(3,008)	-	-	(3,008)
Realized gain on sale of investments	11,889	-	-	11,889
Unrealized gain (loss)	<u>77,283</u>	<u>398,608</u>	<u>18,691</u>	<u>494,582</u>
Total investment return	<u>\$ 189,804</u>	<u>\$ 398,608</u>	<u>\$ 18,691</u>	<u>\$ 607,103</u>

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**Note 7 – LEASE COMMITMENTS**

The organization leases office facilities under an agreement expiring February 28, 2014. The agreement requires annual rent of \$62,420 payable in monthly installments of \$5,202 for the first year plus prorata share of operating expense and real estate tax increases over the base year 2011. There are provisions for two additional five years renewal options.

Future minimum lease payments are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2011	\$ 62,823
2012	\$ 64,299
2013	\$ 65,718
2014	\$ 50,598

Rental expense for the facilities lease and operating equipment amounted to \$212,203 for 2010.

**Note 8 - PENSION PLAN**

The organization has a defined contribution 401(k) plan covering all eligible employees. All employees are eligible after one year of service, must be 21 years old and work a minimum of 1,000 hours per year. The employee may defer as a contribution to the plan up to 15% of compensation on a pre-tax basis to the limit prescribed by the Internal Revenue Code. All employee contributions are vested immediately.

The Plan allows the employer to make matching contributions subject to board of directors approval. Pension expense for 2010 amounted to \$4,241.

**Note 9 – LINE OF CREDIT**

The organization has a \$300,000 line of credit with a bank. The agreement contains certain covenants that the organization must maintain, tested on an annual basis. Interest is based on the bank's prime rate. The line is on demand and is renewable annually. At December 31, 2010 there were no borrowings on the line.

**Note 10 – CONCENTRATION OF CREDIT RISK**

The organization is potentially subject to concentrations of credit risk from financial instruments such as cash, investments, accounts receivable and pledge promises to give. Cash and investments is placed with financial institutions with limits to credit exposure to any one specific institution. Cash balances maintained by the organization in bank deposits may at times exceed the federally insured limits. The organization has not experienced any losses and believes it is not exposed to any significant risk. Credit risk with respect to accounts receivable and pledges are limited due to the numerous contributors and their dispersion across various industries and economic areas.

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.**  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 11 – PERMANENTLY AND TEMPORARILY RESTRICTED NET ASSETS

Permanently and temporarily restricted net assets at December 31, 2010 are comprised of:

	Amount
<u>Temporarily restricted net assets:</u>	
Endowment Investments	\$ 1,411,641
Scholarships	117,828
Comprehensive Campaign	161,593
Purchase and maintenance of improvements and equipment	81,356
Island Preservation	3,001
Development	72,053
Environmental Classroom	107,565
<b>Total Temporarily Restricted Net Assets</b>	<b>\$ 1,955,037</b>
<u>Permanently restricted net assets:</u>	
John F. and Dorothy H. Magee Endowment Fund	\$ 896,479
Thomas Liversidge Fund	534,909
Campbell Family Endowment Fund	500,000
Cape Ann Scholarship Fund	253,145
Esmond Harmsworth and Jim Richardson Endowment Fund	250,000
Caleb and Rosemary Loring Endowment Fund	90,000
Gladys and Tony Sakowich Fund	118,788
Frederick Webber Fund	79,615
Perera Fund	50,000
Grant Walker Fund	50,000
Charles Tidd Baker Fund	45,118
John and Mary Brown Fund	29,985
Rick Guttenberg Endowment Fund	27,656
Theodore Edson Parker Fund	25,000
Other Funds	225,878
<b>Total Permanently Restricted Net Assets</b>	<b>\$ 3,176,573</b>

Note 12 – RESTATEMENT OF NET ASSETS

Net assets at the beginning of the year have been adjusted to correct prior years accumulated depreciation.