

**SARGENT, MURRAY, GILMAN, HOUGH
HOUSE ASSOCIATION
FINANCIAL STATEMENTS
AUGUST 31, 2011 and 2010**

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To the Board of Directors
Sargent, Murray, Gilman, Hough House Association
Gloucester, Massachusetts

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

I have compiled the accompanying statements of assets, liabilities and net assets - modified cash basis of Sargent, Murray, Gilman, Hough House Association (a non-profit organization) as of August 31, 2011 and 2010 and the related statements of revenues, expenses and other changes in net assets - modified cash basis for the years then. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting.

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

My 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.

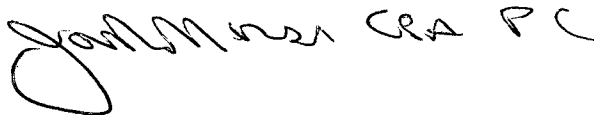
The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The cash basis of accounting includes recording revenue when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred. Modifications to the cash basis include capitalization of property and equipment and recording of depreciation thereon, adjustment of investments to fair market value, and recording of debt.

I did become aware of a departure from the modified cash basis of accounting. Management has informed me that depreciation has not been provided on assets acquired prior to August 31, 1997. Assets acquired after that date are being depreciated using the straight-line method over their estimated useful lives. The effect of this departure on the statement of assets, liabilities and net assets, results of operations and cash flows has not been determined.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's assets, liabilities, net assets, revenues, expenses and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information contained in schedules of functional expenses-modified cash basis, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

June 5, 2012



**SARGENT, MURRAY, GILMAN, HOUGH
HOUSE ASSOCIATION
STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS-MODIFIED CASH BASIS
AUGUST 31, 2011 and 2010**

ASSETS

	<u>2011</u>	<u>2010</u>
Cash	\$ 13,569	\$ 31,003
Investments, at market value	310,600	321,413
Land, building and personal property, net of accumulated depreciation of \$65,774 in 2011 and \$58,187 in 2010	349,536	357,123
Total Assets	\$ 673,705	\$ 709,539

LIABILITIES AND NET ASSETS

<u>Liabilities</u>		
Payroll and sales taxes payable	\$ -	\$ 455
Note payable	6,500	6,500
Total Liabilities	6,500	6,955
 <u>Net Assets</u>		
Unrestricted	667,205	671,442
Temporarily restricted	-	31,142
Total net assets	667,205	702,584
Total Liabilities and Net Assets	\$ 673,705	\$ 709,539

See Accountant's Compilation Report.

SARGENT, MURRAY, GILMAN, HOUGH
HOUSE ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND OTHER
CHANGES IN NET ASSETS- MODIFIED CASH BASIS
AUGUST 31, 2011 and 2010

	<u>Unrestricted</u>	Temporarily Restricted <u>Fund</u>	<u>2011</u> <u>Total</u>	<u>2010</u> <u>Total</u>
REVENUES AND OTHER SUPPORT				
Contributed:				
Individual	\$ 4,775	\$ 35,112	\$ 39,887	\$ 15,034
State	-	15,381	15,381	38,645
Program service fees:				
Admissions	4,500	-	4,500	3,512
Memberships	2,577	-	2,577	7,982
Gift shop	611	-	611	642
Fundraising Event Income	1,400	-	1,400	1,725
Investment income:				
Dividends	8,171	-	8,171	7,553
Interest income	3,014	-	3,014	4,642
Realized gains and losses, net	7,257	-	7,257	-
Unrealized gains and losses and reclassification of realized	17,232	-	17,232	8,124
Total Revenues and Other Support	49,537	50,493	100,030	87,859
Net assets released from restriction by expenditure	81,635	(81,635)	-	-
EXPENSES				
Program services	117,334	-	117,334	29,782
Management and general	18,075	-	18,075	21,433
Total Expenses	135,409	-	135,409	51,215
CHANGE IN NET ASSETS	<u>(4,237)</u>	<u>(31,142)</u>	<u>(35,379)</u>	<u>36,644</u>
NET ASSETS - BEGINNING OF YEAR	<u>671,442</u>	<u>31,142</u>	<u>702,584</u>	<u>665,940</u>
NET ASSETS - END OF YEAR	<u>\$ 667,205</u>	<u>\$ -</u>	<u>\$ 667,205</u>	<u>\$ 702,584</u>

See Accountant's Compilation Report.

**SARGENT, MURRAY, GILMAN, HOUGH
HOUSE ASSOCIATION
SCHEDULES OF FUNCTIONAL EXPENSES-
MODIFIED CASH BASIS
FOR THE YEARS ENDED AUGUST 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
PROGRAM EXPENSES		
Painting the Building	\$ 83,462	\$ -
Depreciation	7,587	7,590
Collections Expense	6,562	2,752
Salary	4,843	1,230
Insurance property	4,687	6,750
Postage and printing	3,155	3,925
Utilities	2,765	3,250
Advertising	1,894	1,331
Payroll taxes	1,106	131
Security	1,089	1,135
Event Expenses	184	783
Gift Shop Expenses	-	905
	-	905
Total Program Expenses	\$ 117,334	\$ 29,782

MANAGEMENT AND GENERAL

Professional Services	\$ 6,331	\$ 1,384
Repairs and maintenance	3,852	9,707
Investment Management	2,929	3,226
Insurance liability	2,458	2,497
Telephone	1,542	2,255
Filing Fees	472	365
Office	361	966
Dues and Subscriptions	130	225
Miscellaneous	-	808
	-	808
	\$ 18,075	\$ 21,433

See Accountant's Compilation Report.