

Agassiz Village

Founded by Mr. & Mrs. Harry E. Burroughs

December 31, 2012

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CONTENTS

	<u>Page</u>
Independent Auditors' Report	2-3
Statements of Financial Position as of December 31, 2012 and 2011	4
Statements of Activities for the Years Ended December 31, 2012 and 2011	5
Statements of Functional Expenses for the Years Ended December 31, 2012 and 2011	6
Statements of Cash Flows for the Years Ended December 31, 2012 and 2011	7
Notes to Financial Statements	8-11
SUPPLEMENTAL INFORMATION	
Supplemental Schedules of Revenue, Gains and Other Support for the Years Ended December 31, 2012 and 2011	13

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Agassiz Village Founded by Mr. & Mrs. Harry E. Burroughs

We have audited the accompanying financial statements of Agassiz Village Founded by Mr. & Mrs. Harry E. Burroughs (a non-profit corporation), which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Agassiz Village Founded by Mr. & Mrs. Harry E. Burroughs as of December 31, 2012 and 2011, and the changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue, Gains and Other Support on page 13 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Braintree, Massachusetts
October 30, 2013

O'Brien, Kelley & Ryan P.C.

Agassiz Village
 Founded by Mr. & Mrs. Harry E. Burroughs
 Statements of Financial Position
 December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 226,181	\$ 206,034
Prepaid Insurance	21,408	14,455
Total Current Assets	<u>247,589</u>	<u>220,489</u>
Property and Equipment:		
Land and Improvements	186,257	146,595
Buildings and Improvements	1,951,902	1,951,902
Furniture and Equipment	283,305	281,267
Automotive Vehicles	13,035	13,035
	<u>2,434,499</u>	<u>2,392,799</u>
Less: Accumulated Depreciation	(1,804,182)	(1,771,895)
Total Property and Equipment	<u>630,317</u>	<u>620,904</u>
Cash and Equivalent- Permanently Restricted	<u>82,375</u>	<u>82,375</u>
TOTAL ASSETS	<u><u>\$ 960,281</u></u>	<u><u>\$ 923,768</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 36,214	\$ 19,027
Total Current Liabilities	<u>36,214</u>	<u>19,027</u>
Net Assets:		
Unrestricted	841,692	822,366
Temporarily Restricted	-	-
Permanently Restricted	82,375	82,375
Total Net Assets	<u>924,067</u>	<u>904,741</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 960,281</u></u>	<u><u>\$ 923,768</u></u>

The accompanying notes are an integral part of these financial statements.

Agassiz Village
 Founded by Mr. & Mrs. Harry E. Burroughs
 Statements of Activities
 For the Years Ended December 31, 2012 and 2011

	2012				2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, Gains, and Other Support:								
Contributions	\$ 472,802	\$ -	\$ -	\$ 472,802	\$ 566,987	\$ -	\$ -	\$ 566,987
Fees and Tuition	46,634	-	-	46,634	51,549	-	-	51,549
Income from Special Events (net)	141,134	-	-	141,134	150,528	-	-	150,528
Interest and Dividends	360	-	-	360	476	-	-	476
Other Income	10,900	-	-	10,900	8,760	-	-	8,760
Total Revenue, Gains and Other Support	<u>671,830</u>	<u>-</u>	<u>-</u>	<u>671,830</u>	<u>778,300</u>	<u>-</u>	<u>-</u>	<u>778,300</u>
Net Assets Released From Restriction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,954</u>	<u>(12,954)</u>	<u>-</u>	<u>-</u>
Expenses:								
Program Services, Camp Management and General	542,971	-	-	542,971	606,656	-	-	606,656
Fund Raising	60,266	-	-	60,266	69,773	-	-	69,773
Total Expenses	<u>652,504</u>	<u>-</u>	<u>-</u>	<u>652,504</u>	<u>715,073</u>	<u>-</u>	<u>-</u>	<u>715,073</u>
Increase (Decrease) in Net Assets	19,326	-	-	19,326	76,181	(12,954)	-	63,227
Net Assets – Beginning of Year	822,366	-	82,375	904,741	746,185	12,954	82,375	841,514
Net Assets – End of Year	<u>\$ 841,692</u>	<u>\$ -</u>	<u>\$ 82,375</u>	<u>\$ 924,067</u>	<u>\$ 822,366</u>	<u>\$ -</u>	<u>\$ 82,375</u>	<u>\$ 904,741</u>

The accompanying notes are an integral part of these financial statements.

Agassiz Village
 Founded by Mr. & Mrs. Harry E. Burroughs
 Statements of Functional Expenses
 For the Years Ended December 31, 2012 and 2011

	2012				2011			
	Program Services, Camp	Management and General	Fund Raising	Total Expenses	Program Services, Camp	Management and General	Fund Raising	Total Expenses
Salaries	\$ 231,712	\$ 18,737	\$ 34,600	\$ 285,049	\$ 231,593	\$ 22,258	\$ 30,764	\$ 284,615
Employee Benefits	26,545	3,790	3,790	34,125	28,656	2,411	2,410	33,477
Payroll Taxes	16,388	1,433	2,646	20,467	16,378	1,703	2,354	20,435
Professional Fees	161	15,101	2,450	17,712	143	17,242	-	17,385
In-Kind Expense	5,875	11,250	-	17,125	108,000	18,567	-	126,567
Office Supplies	6,856	1,281	1,376	9,513	3,562	348	48	3,958
Housekeeping	4,306	-	-	4,306	2,030	-	-	2,030
Program Activities	8,936	-	-	8,936	3,812	-	-	3,812
Food and Supplies	63,958	-	-	63,958	50,921	-	-	50,921
Telephone	3,946	682	450	5,078	2,729	225	226	3,180
Printing & Postage	1,165	1,208	2,054	4,427	1,076	1,058	1,083	3,217
Pre/Post Programs	227	-	-	227	4,015	-	-	4,015
Rent	3,600	1,200	1,200	6,000	3,600	1,200	1,200	6,000
Scholarships	5,700	-	-	5,700	-	-	-	-
Heat, Light and Power	26,020	161	101	26,282	23,784	98	98	23,980
Repairs – Building & Grounds	21,366	-	-	21,366	18,218	-	-	18,218
Insurance	35,241	3,725	420	39,386	38,172	3,117	300	41,589
Equipment Rental and Repair	10,862	-	-	10,862	5,527	-	-	5,527
Recruiting	544	-	-	544	3,702	-	-	3,702
Transportation	29,584	357	62	30,003	18,278	730	-	19,008
Dues and Subscriptions	4,106	-	85	4,191	3,126	-	-	3,126
Depreciation	31,947	340	-	32,287	34,617	340	-	34,957
Miscellaneous	3,926	1,001	33	4,960	4,717	476	161	5,354
TOTAL EXPENSES	<u>\$ 542,971</u>	<u>\$ 60,266</u>	<u>\$ 49,267</u>	<u>\$ 652,504</u>	<u>\$ 606,656</u>	<u>\$ 69,773</u>	<u>\$ 38,644</u>	<u>\$ 715,073</u>

Th accompanying notes are an integral part of these financial statements.

Agassiz Village
 Founded by Mr. & Mrs. Harry E. Burroughs
 Statements of Cash Flows
 For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities:		
Increase in Net Assets	\$ 19,326	\$ 63,227
Adjustments to Reconcile Changes in Net Assets To Net Cash Provided by Operating Activities:		
Depreciation	32,287	34,957
Change in Prepaid Insurance	(6,953)	3,306
Change in Accounts Payable	17,187	(10,109)
	61,847	91,381
Net Cash Provided by Operating Activities		
Cash Flows From Investing Activities:		
Acquisition of Property and Equipment	(41,700)	(48,208)
	(41,700)	(48,208)
Net Cash Used by Investing Activities		
Net Increase in Cash	20,147	43,173
Cash, Beginning of Year	206,034	162,861
Cash, End of Year	\$ 226,181	\$ 206,034

The accompanying notes are an integral part of these financial statements.

Agassiz Village
Founded by Mr. & Mrs. Harry E. Burroughs
Notes to Financial Statements
December 31, 2012

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES:

Nature of Activities

Agassiz Village Founded by Mr. & Mrs. Harry E. Burroughs (Agassiz Village or Organization) is operated as a non-profit corporation to provide summer camperships for disadvantaged and physically disabled children at its summer camp in West Poland, Maine. It has an office in Lexington, Massachusetts. Agassiz Village receives its support from individual donors, other non-profit organizations such as Easter Seal Society and camp fees from the campers and organizations that donate the fees to send children to camp.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, prepayments and payables.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958-205-55, Not-for-Profit Entities-Presentation of Financial Statements. Under ASC No. 958-205-55, 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition, Accounts Receivable, and Promises to Give

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Fees for campers are recognized at the time the individual attends camp. Non-cash contributions are recorded at estimated fair value. Accounts receivable are considered past due at the time an individual is due at camp. Periodically, management reviews the collectability of accounts receivable and charges to expense those that are determined to be uncollectible.

Contributions are recognized when the donor makes a promise to give to Agassiz Village that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the 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 restriction.

Agassiz Village
Founded by Mr. & Mrs. Harry E. Burroughs
Notes to Financial Statements
December 31, 2012

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, continued:

Contributed Services

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. Donated consulting and legal services are included in public support at fair value. For the years ended December 31, 2012 and 2011 donated services with a fair market value of \$17,125 and \$126,567, respectively, were recognized in contributions and in-kind expense.

Agassiz Village receives services donated by its trustees, neighbors and other interested individuals in carrying out its purpose. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB ASC 958-605-20.

Cash

Cash includes cash in financial institutions and cash on hand. At times Agassiz Village can have balances in excess of the FDIC insured limit in these institutions that it believes are financially sound.

Property and Equipment

Acquisitions of property and equipment are recorded at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight line method over the estimated useful life of the assets.

Income Taxes and Tax Status

Agassiz Village is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require Agassiz Village's management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Agassiz Village's management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2012 and 2011, no uncertain positions have been taken nor are there any expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. At December 31, 2012 Agassiz Village's management believes it is no longer subject to income tax examinations for the years prior to 2009.

Subsequent Events

Subsequent events were evaluated through October 30, 2013, which is the date the financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Agassiz Village
Founded by Mr. & Mrs. Harry E. Burroughs
Notes to Financial Statements
December 31, 2012

NOTE 2 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets include contributions received from the Maloney Foundation and Roger Roach of \$25,000 and \$10,000, respectively. As of December 31, 2012 and 2011, the assets consisted of cash (classified as cash-restricted for purposes of the statements of financial position) of \$35,000, which has been invested in a bank savings account. Interest earned for the years ended December 31, 2012 and 2011 was approximately \$200 and \$300, respectively.

The William Hirshberg Trust (Trust) was established and the assets contributed to this Trust in 2004 were permanently restricted. The income earned in the Trust is used to annually provide full camperships for four two week sessions. Additionally, two education scholarships of \$250 each are to be awarded to a camper and a staff member. As of December 31, 2012 and 2011 the assets consisted of cash (classified as cash-restricted for purposes of the statement of financial position) of \$30,000, which has been invested in a money market account. Dividends earned for the years ended December 31, 2012 and 2011 were \$4.

During 2008, \$17,375 was contributed in the name of Warren Burroughs. These contributions were permanently restricted. As of December 31, 2012 and 2011 the assets consisted of cash (classified as cash-restricted for purposes of the statements of financial position) of \$17,375, which has been invested in a bank savings account. Interest earned for the year ended December 31, 2012 and 2011 was approximately \$95 and \$140, respectively.

Agassiz Village did not have any temporarily restricted assets as of December 31, 2012 and 2011.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment are capitalized at cost if purchased and estimated fair value if donated. Building and improvements are depreciated over estimated useful lives ranging from thirty-one and a half years to thirty-nine years using the straight line method. Furniture and equipment are primarily depreciated over estimated useful lives of seven years using the straight line method of depreciation. Automotive vehicles are depreciated over estimated useful lives of five years using the straight line method of depreciation. It is Agassiz Village's policy to capitalize expenditures for capital purchases in excess of \$1,000.

NOTE 4 – LOANS PAYABLE

Agassiz Village entered into a line of credit with a bank dated December 15, 2005. The line of credit has a maximum borrowing amount of \$50,000, with interest being charged at the bank's prime rate plus one percent (as of December 31, 2012 and 2011, 4.50% and 4.50%, respectively). The interest rate cannot go below 4.5%. The line of credit is secured by all business assets of Agassiz Village. The line of credit is interest only and payable on demand.

Borrowings under this line as of December 31, 2012 and 2011 were zero. No interest was expensed for the years ended December 31, 2012 and 2011.

Agassiz Village
Founded by Mr. & Mrs. Harry E. Burroughs
Notes to Financial Statements
December 31, 2012

NOTE 5 – LEASES

Agassiz Village leases office space in Lexington, Massachusetts as a tenant-at-will. Rent expense for this office space for the years ended December 31, 2012 and 2011 was \$6,000 each year.

NOTE 6 – ALLOCATION OF JOINT COSTS

In 2012 and 2011, Agassiz Village conducted activities that included requests for contributions, as well as program and management and general components. Those activities included direct mail campaigns, special events, and direct solicitation. The costs of conducting those activities included a total of approximately \$106,400 and \$114,500 of joint costs, which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows:

	<u>2012</u>	<u>2011</u>
Program	\$ 63,800	\$ 82,900
Management and General	21,300	15,800
Fundraising	<u>21,300</u>	<u>15,800</u>
Total	<u>\$ 106,400</u>	<u>\$ 114,500</u>

NOTE 7 – INTENTION TO GIVE

Agassiz Village is a fifty percent remainder beneficiary of the Richard C. Miller and Katherine M. Miller Irrevocable Charitable Remainder Trust (Trust). Under the terms of the Trust, the grantors will receive payments of 9% of the value of the Trust annually for their lifetimes. Upon their deaths, Agassiz will receive its share of the assets of the Trust for its unrestricted use. However, the grantors have retained the power to change the remainder beneficiary; therefore Agassiz Village has not recorded any amount associated with this trust.

SUPPLEMENTAL INFORMATION

Agassiz Village
 Founded by Mr. & Mrs. Harry E. Burroughs
 Supplemental Schedules of Revenue, Gains and Other Support
 For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted
Revenues from Contributions:						
Donations	\$ 233,559	\$ -	\$ -	\$ 251,897	\$ -	\$ -
Grants	134,538	-	-	76,990	-	-
Pre/post Programs	36,206	-	-	30,450	-	-
Burdett Trust Fund	29,774	-	-	39,483	-	-
Easter Seal Society	21,600	-	-	41,600	-	-
In-Kind Donations	17,125	-	-	126,567	-	-
Total Revenues from Contributions	\$ 472,802	\$ -	\$ -	\$ 566,987	\$ -	\$ -
Revenues from Fees and Tuitions:						
Application fees, tuition, insurance and transportation	\$ 46,634	\$ -	\$ -	\$ 51,549	\$ -	\$ -
Total Revenues from Fees and Tuition	\$ 46,634	\$ -	\$ -	\$ 51,549	\$ -	\$ -
Revenues (Net) from Special Events:						
POPS Donations	\$ -	\$ -	\$ -	\$ 65,903	\$ -	\$ -
POPS Raffle/Auction	-	-	-	5,671	-	-
POPS Tickets	-	-	-	7,800	-	-
Golf Tournaments	129,478	-	-	116,934	-	-
Chefs Event	45,350	-	-	-	-	-
Other Special Events	-	-	-	-	-	-
Total Revenues	174,828	-	-	196,308	-	-
Less: Expenses	33,694	-	-	45,780	-	-
Total Revenues (Net) from Special Events	141,134	\$ -	\$ -	150,528	\$ -	\$ -
Revenues from Interest and Dividends:						
Interest	\$ 356	\$ -	\$ -	\$ 472	\$ -	\$ -
Dividends	4	-	-	4	-	-
Total Revenues from Interest and Dividends	\$ 360	\$ -	\$ -	\$ 476	\$ -	\$ -
Other Income:						
Other Income	\$ 10,900	\$ -	\$ -	\$ 8,760	\$ -	\$ -
Total Other Income	\$ 10,900	\$ -	\$ -	\$ 8,760	\$ -	\$ -