

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

**Combined Financial Statements  
December 31, 2014**

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

**Combined Financial Statements**

**December 31, 2014**

**Contents**

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Combined Statement of Financial Position as of December 31, 2014 with Comparative Totals as of December 31, 2013	3
Combined Statement of Activity for the Year Ended December 31, 2014 with Comparative Totals for the Year Ended December 31, 2013	4
Combined Statement of Functional Expenses for the Year Ended December 31, 2014 with Comparative Totals for the Year Ended December 31, 2013	5
Combined Statement of Cash Flows for the Year Ended December 31, 2014 with Comparative Totals for the Year Ended December 31, 2013	6
Notes to Combined Financial Statements	7



## **Independent Auditor's Report**

To the Board of Directors of:  
Thompson Island Outward Bound Education Center, Inc. and  
Thompson Island Education Center, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Thompson Island Outward Bound Education Center, Inc. (a not-for-profit organization) and Thompson Island Education Center, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activity, functional expenses and cash flows for the year then ended and the related notes to the financial statements. The prior year summarized comparative financial information has been derived from the Organization's 2013 financial statements and, in our report dated April 16, 2014, we expressed an unqualified opinion on those 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Thompson Island Outward Bound Education Center, Inc. and Thompson Island Education Center, Inc., as of December 31, 2014, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Siegrist, Cree, Alessandri & Strauss, CPAs, P.C.  
April 26, 2015

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.  
Combined Statement of Financial Position  
December 31, 2014  
(With Comparative Totals as of December 31, 2013)**

<b>Assets</b>	<b>2014</b>	<b>2013</b>
<b>Current assets</b>		
Cash	\$ 3,821,059	\$ 2,634,467
Accounts receivable	153,437	221,000
Grants receivable	7,216	98,527
Pledges receivable	382,168	409,583
Inventory	27,356	36,908
Prepaid expenses	126,630	130,858
Other current assets	15,472	4,667
<b>Total current assets</b>	<b>4,533,338</b>	<b>3,536,010</b>
<b>Property and equipment</b>		
Land and buildings	12,510,467	10,659,989
Equipment	5,452,175	5,350,176
Capitalized lease equipment	11,695	11,695
	17,974,337	16,021,860
Less: Accumulated depreciation/amortization	(9,613,488)	(9,051,562)
<b>Total property and equipment</b>	<b>8,360,849</b>	<b>6,970,298</b>
<b>Other assets</b>		
Investments	6,991,048	6,436,704
Pledges receivable, net of allowance of \$10,767	282,919	327,714
Insurance retention deposit	11,289	5,210
<b>Total other assets</b>	<b>7,285,256</b>	<b>6,769,628</b>
<b>Total assets</b>	<b>\$ 20,179,443</b>	<b>\$ 17,275,936</b>
	<b>Liabilities and Net Assets</b>	
<b>Current liabilities</b>		
Accounts payable	\$ 222,767	\$ 140,297
Accrued expenses	259,739	358,445
Customer deposits and deferred revenue	151,269	165,948
<b>Total current liabilities</b>	<b>633,775</b>	<b>664,690</b>
<b>Net assets</b>		
Unrestricted	9,061,532	7,773,422
Temporarily restricted	6,102,676	5,064,254
Permanently restricted	4,381,460	3,773,570
<b>Total net assets</b>	<b>19,545,668</b>	<b>16,611,246</b>
<b>Total liabilities and net assets</b>	<b>\$ 20,179,443</b>	<b>\$ 17,275,936</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, 2014  
(With Comparative Totals for the Year Ended December 31, 2013)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2014 Total	2013 Total
<b>Public support and revenues</b>					
Public support					
Contributions and grants	\$ 600,926	\$ 3,302,807	\$ 593,813	\$ 4,497,546	\$ 3,383,612
Special events, net	519,420			519,420	555,105
Total public support	<u>1,120,346</u>	<u>3,302,807</u>	<u>593,813</u>	<u>5,016,966</u>	<u>3,938,717</u>
Revenue					
Enterprise revenue	2,204,955			2,204,955	1,945,274
Unrealized gain or (loss) on investments	(271,096)	93,794	26,577	(150,725)	549,554
Outward Bound programs	679,523			679,523	680,125
Outward Bound professional Grants	449,863			449,863	406,466
Investment income	283,554	202,094		202,094	99,648
Other income	5,158			283,554	176,034
Release of restricted funds	2,572,773	(2,560,273)	(12,500)	5,158	2,990
Total revenue	<u>5,924,730</u>	<u>(2,264,385)</u>	<u>14,077</u>	<u>3,674,422</u>	<u>3,860,091</u>
<b>Total public support and revenues</b>	<u>7,045,076</u>	<u>1,038,422</u>	<u>607,890</u>	<u>8,691,388</u>	<u>7,798,808</u>
<b>Expenses</b>					
Program services	4,503,291	-	-	4,503,291	3,919,570
General and administrative	708,126	-	-	708,126	610,811
Fundraising	545,549	-	-	545,549	562,845
<b>Total expenses</b>	<u>5,756,966</u>	<u>-</u>	<u>-</u>	<u>5,756,966</u>	<u>5,093,226</u>
<b>Change in net assets</b>	1,288,110	1,038,422	607,890	2,934,422	2,705,582
<b>Net assets, beginning of year</b>	<u>7,773,422</u>	<u>5,064,254</u>	<u>3,773,570</u>	<u>16,611,246</u>	<u>13,905,664</u>
<b>Net assets, end of year</b>	<u>\$ 9,061,532</u>	<u>\$ 6,102,676</u>	<u>\$ 4,381,460</u>	<u>\$ 19,545,668</u>	<u>\$ 16,611,246</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, 2014**

**(With Comparative Totals for the Year Ended December 31, 2013)**

	Program Services				Supporting Services			Total 2013
	Outward Bound		Enterprise	Total Programs	General & Admin.	Fundraising	Total 2014	
	Professional	Programs						
<b>Payroll and related expenses</b>								
Salaries	\$ 190,259	\$ 870,342	\$ 800,099	\$ 1,860,700	\$ 340,655	\$ 269,298	\$ 2,316,967	
Fringe benefits and payroll taxes	37,126	164,007	135,510	336,643	74,843	77,718	453,826	
<b>Total payroll and related expenses</b>	<b>227,385</b>	<b>1,034,349</b>	<b>935,609</b>	<b>2,197,343</b>	<b>415,498</b>	<b>347,016</b>	<b>2,770,793</b>	
Depreciation	28,578	188,700	344,647	561,925	-	-	458,371	
Food and beverage	7,734	79,509	403,976	491,219	387	-	445,218	
Outside services	13,896	98,825	159,192	271,913	36,492	43,928	310,280	
Equipment and facilities rental	3,937	77,694	133,321	214,952	26,764	22,737	308,792	
Supplies	13,056	97,559	108,914	219,529	9,184	8,194	191,003	
Professional fees	-	12,899	3,644	16,543	151,447	34,494	78,212	
Utilities and gasoline	7,726	51,014	93,174	151,914	1,321	-	107,008	
Insurance	6,488	58,213	78,589	143,290	9,681	-	165,275	
Dues and subscriptions	4,528	55,256	29,025	88,809	672	23,426	79,651	
Credit card and financial fees	6,545	7,225	31,168	44,938	(336)	1,695	49,561	
Travel and entertainment	3,043	13,547	2,973	19,563	8,788	16,902	37,909	
Promotion	9,405	1,572	27,195	38,172	1,908	-	15,789	
Voice and data	865	14,213	10,977	24,231	9,665	4,487	45,084	
Bad debts	-	280	779	11,257	11,830	13,250	1,047	
Printing	59	4,718	-	5,556	3,340	20,467	16,350	
Miscellaneous	-	1,500	-	1,500	20,085	-	1,085	
Postage and delivery	84	264	89	437	1,400	8,953	11,798	
Staff recruitment and development	-	200	-	200	-	-	-	
<b>Total expenses</b>	<b>\$ 333,329</b>	<b>\$ 1,797,537</b>	<b>\$ 2,372,425</b>	<b>\$ 4,503,291</b>	<b>\$ 708,126</b>	<b>\$ 545,549</b>	<b>\$ 5,093,226</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, 2014  
(With Comparative Totals for the Year Ended December 31, 2013)**

	<b>2014</b>	<b>2013</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,934,422	\$ 2,705,582
Depreciation	561,925	458,371
Bad debts	-	(7,920)
Unrealized (gain)/loss on investments	150,725	(549,554)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) Decrease in:		
Accounts and grants receivable	158,874	3,532
Pledges receivable	72,210	(67,103)
Prepaid expenses and other current assets	(6,577)	(21,939)
Inventory	9,552	2,032
Insurance retention	(6,079)	(5,210)
Increase (Decrease) in:		
Accounts payable	82,470	105,441
Accrued expenses	(98,706)	14,273
Deposits	(14,679)	(16,652)
<b>Net cash provided by operating activities</b>	<b>3,844,137</b>	<b>2,620,853</b>
<b>Cash flows from investing activities</b>		
Purchase of equipment and leasehold improvements, net of disposals	(1,952,477)	(1,253,755)
Purchase of investments	(705,068)	(439,045)
<b>Net cash used by investing activities</b>	<b>(2,657,545)</b>	<b>(1,692,800)</b>
<b>Net Increase (decrease) in cash and cash equivalents</b>	<b>1,186,592</b>	<b>928,053</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,634,467</b>	<b>1,706,414</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 3,821,059</b>	<b>\$ 2,634,467</b>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

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, 2014**

**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 \$10,767 has been established at December 31, 2014.

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.  
Notes to the Combined Financial Statements  
December 31, 2014**

**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 \$12,523 as of December 31, 2014.

**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 Codifications, *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, 2014**

**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 Activity.

**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. The Organization adopted Fin 48, "Accounting for Uncertainty of Income Taxes", which prescribes comprehensive guidelines for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on tax returns. The Organization has no uncertain tax positions during the year ended December 31, 2014. In addition, tax returns for years ended December 31, 2011 and prior are no longer available for review by the Internal Revenue Service.

**Advertising Costs**

Advertising costs (promotion) are expensed as incurred and amounted to \$40,081 at December 31, 2014.

**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, 2014**

**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 that 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, 2014, 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, 2014.

**Subsequent Events**

The management has evaluated subsequent events through April 10, 2015, 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.

**Note 4 - PROMISES TO GIVE**

Pledges receivable expected to be received in less than one year are recorded in current assets at net realizable value providing the pledge is not subject to conditions. Pledges expected to be received in greater than one year are recorded in other assets at the present value of estimated future cash flows discounted at 1.80% per annum. Unconditional pledges consist of the following at December 31, 2014:

Pledges receivable in less than one year	<u>\$ 382,168</u>
Pledges receivable due after one year	\$ 293,686
Less: Allowance for uncollectible pledges and discount to present value	<u>(10,767)</u>
	<u>\$ 282,919</u>

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.  
Notes to the Combined Financial Statements  
December 31, 2014**

**Note 5 – PROPERTY AND EQUIPMENT**

The cost of property and equipment as of December 31, 2014 is summarized as follows:

Land and buildings	\$ 12,510,467
Equipment	4,624,889
Program equipment	827,286
Capital Lease	11,695
Total	<u>17,974,337</u>
Less: accumulated depreciation/amortization	<u>(9,613,488)</u>
Property and equipment, net	<u>\$ 8,360,849</u>

Depreciation expense for the year ended December 31, 2014 was \$561,925.

**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 \$6,991,048 at December 31, 2014.

The following schedule summarizes the components of investment return for the year ended December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment income (loss)	\$ 294,894	\$ -	\$ -	\$ 294,894
Investment fees	(11,340)	-	-	(11,340)
Net investment income	283,554	-	-	283,554
Unrealized gain (loss)	(271,096)	93,794	26,577	(150,725)
Total investment return	<u>\$ 12,458</u>	<u>\$ 93,794</u>	<u>\$ 26,577</u>	<u>\$ 132,829</u>

**Thompson Island Outward Bound Education Center, Inc.  
and Thompson Island Education Center, Inc.  
Notes to the Combined Financial Statements  
December 31, 2014**

**Note 7 – LEASE COMMITMENTS**

The organization leases office facilities under an agreement expiring February 28, 2019. The agreement requires annual rent of \$92,829 payable in monthly installments of \$7,736 for the first year plus prorata share of operating expense and real estate tax increases over the base year 2014. There are provisions for an additional five year renewal option.

Future minimum lease payments are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2015	\$ 94,830
2016	\$ 96,564
2017	\$ 98,831
2018	\$ 100,565
2019	\$ 16,805

Rental expense for the facilities lease and operating equipment amounted to \$264,453 for 2014.

**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 2014 amounted to \$9,607.

**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, 2014, 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 are 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, 2014**

**Note 11 – PERMANENTLY AND TEMPORARILY RESTRICTED NET ASSETS**

Permanently and temporarily restricted net assets at December 31, 2014 are comprised of:

	<b>Amount</b>
<b><u>Temporarily restricted net assets:</u></b>	
Capital Campaign	\$ 3,366,191
Endowment Investments	2,429,746
Scholarships	277,658
2015 Annual Giving	20,000
2015 Gala	5,000
Island Preservation	4,081
<b>Total Temporarily Restrcted Net Assets</b>	<b>\$ 6,102,676</b>
<b><u>Permanently restricted net assets:</u></b>	
John F. and Dorothy H. Magee Endowment Fund	\$ 949,207
Thomas Liversidge Endowment Fund	534,909
Campbell Family Endowment Fund	500,000
Cape Ann Endowed Scholarship Fund	268,034
Esmond Harmsworth Endowment Fund	250,000
Caleb and Rosemary Loring Endowment Fund	190,000
Gladys and Tony Sakowich Endowed Scholarship Fund	125,775
Frederick Webber Endowment Fund	84,297
Perera Endowment Fund	50,000
Grant Walker Endowment Fund	50,000
Charles Tidd Baker Endowment Fund	47,772
John and Mary Brown Endowment Fund	29,985
Rick Guttenberg Endowed Scholarship Fund	29,996
Theodore Edson Parker Endowment Fund	25,000
Island Infrastructure Endowment Fund	1,042,310
Anastacia Davis Trust	3,765
Other Funds	200,410
<b>Total Permanently Restricted Net Assets</b>	<b>\$ 4,381,460</b>