



## FORM PC

Report for the Fiscal Period: Beginning 07 / 01 / 04 Ending 06 / 30 / 05

Probate Account \_\_\_\_\_ Copy of IRS Return X Audited Financial Statements/Review X Filing Fee X Amended Articles/Bylaws \_\_\_\_\_

Federal ID Number: 04-6001191

When did the organization first engage in charitable work in Massachusetts? 11 / 14 / 1650

Has the organization applied for or been granted IRS tax exempt status? Yes \_\_\_\_\_ No X

If yes, Date of Application: \_\_\_\_/\_\_\_\_/\_\_\_\_ OR Date of Determination Letter: \_\_\_\_/\_\_\_\_/\_\_\_\_

IRS Exemption under 501(c): [\_\_\_\_\_]

Check box if No IRS Exemption [ ☒ ]

If exempt under 501(c), are contributions to the organization tax deductible as charitable contributions? Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_

Name: FEOFFEES OF THE GRAMMAR SCHOOL IN THE TOWN OF IPSWICH

Mailing Address: P.O. BOX 709, 2 DEPOT SQUARE

City: IPSWICH

State: MA

zip: 01938

Phone: ( 978 ) 356-1040

Fax: ( 978 ) 356-1042

E-Mail: N/A

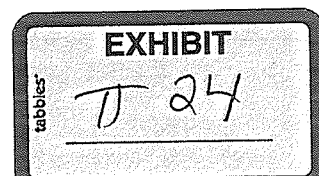
Web Site (ULR): <http://www.>

In the section below, please enter the appropriate codes from the corresponding tables found on pages 12 and 13:

Please check box if final return  
Prior to dissolution

[illegible]

Payment Received  
Office Use Only



## FORM PC

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All questions must be completed in their entirety whether or not similar questions are answered in an attached federal form. See instructions and definition section for guidance.

1. On what date was the organization created?	2. Where was the organization created?
NOVEMBER 14, 1650	IPSWICH, MASSACHUSETTS

3. What is the form of the organization?	
Corporation	Testamentary trust
Unincorporated association	Inter Vivos trust
Other (please describe): VOTE OF TOWN MEETING ON 11/14/1650	

4. Was your organization related to any other organization(s) during the reporting year (see definition of "Related Organization")? Yes \_\_\_\_\_ No X If yes, please complete the Schedule RO on pages 10 and 11.

5. Summary of Financial Data		Amounts
A	Contributions, gifts, grants, and similar amounts received	\$
B	Gross Support and Revenue	\$ 866,850
C	Program services and similar amounts paid out	\$ 300,000
D	Fundraising expenses	\$
E	Management and general expenses	\$ 52,413
F	Payments to affiliates	\$
G	Total Expenses	\$ 352,413
H	Net assets or fund balances at the end of the year	\$ 16,202,339

6. List the total compensation you provided to your five highest paid employees.

	Name	Title	Hours Per Week	Salary & Other Income	Benefit Plans	Other Compensation
1	DONALD F. WHISTON	MANAGER	AS NEEDED	7,056	0	0
2	ALEXANDER MULHOLLAND	CHAIRMAN	AS NEEDED	5,020	0	0
3	JAMES FOLEY	CLEARC	AS NEEDED	5,118	0	0
4	PETER FOOTE	TREASURER	AS NEEDED	5,020	0	0
5						

7. Was any compensation provided to any other individuals listed in 6 above which was not quantified in your response to 6? Yes \_\_\_\_\_ No X If yes, please provide explanation \_\_\_\_\_

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8. List the name, amount of compensation paid, and the nature of services rendered by each of the organization's FIVE highest paid consultants providing professional services (e.g., attorneys, architects, accountants, management companies, investment advisors professional solicitors, professional fundraising counsel.)

	Name	Amount of Compensation	Type of Service(s)
1	DAN CLASBY & CO	2,300	AUDIT, ACCOUNTING
2	DONALD GREENOUGH, ATTY	2,423	LEGAL
3	RJV CONSTRUCTION	1,563,945	SEWER UPGRADE
4	LOMBARDO ASSOCIATES	977,228	SEWER UPGRADE
5	RICCI CONCRETE	354,315	ELECTRICAL

9. Bank(s) in which the organization's funds are deposited (include bank address and phone number):

Bank	Address	Phone Number
FIRST NATIONAL BANK OF IPSWICH	31 MARKET ST, IPSWICH, MA	(800) 834-0046

10. What is the organization's accounting method: Cash ☒ Accrual ☐ Other (specify) \_\_\_\_\_

11. If organization's mailing address is a P.O. Box Number, list the organization's full street address: N/A

Street Address	City, State	Zip
2 DEPOT SQUARE	IPSWICH, MA	01938

12. Name address and telephone number of Contact Person:

Name	Street Address	City, State, Zip	Telephone Number
PETER FOOTE	401 COLONIAL DR	IPSWICH, MA 01938	(978) 356-1040

13. During the fiscal year reported here, did your organization solicit contributions or have funds solicited on its behalf? Yes \_\_\_\_\_ No ☒
14. At any time during the fiscal year following the year reported here, will your organization, or others acting on its behalf, have solicited contributions? Yes \_\_\_\_\_ No ☒

IF YOU ANSWERED "YES" IN RESPONSE TO QUESTION 13 OR 14, YOU MUST COMPLETE SCHEDULES A-1 AND/OR A-2 UNLESS YOU ARE EXEMPT FROM THE SOLICITATION CERTIFICATE REQUIREMENT.

15. If you are claiming an exemption from the solicitation certificate requirement, please indicate by placing an "X" in the box to the right to identify which exemption applies to your organization.

a religious organization	
an organization which (a) does not raise more than \$5,000 during a calendar year OR does not receive contributions from more than ten persons during a calendar year: AND (b) carries out all of its activities, including fundraising, through unpaid volunteers. (The conditions at both (a) and (b) must be met for your organization to qualify for this exemption)	

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16. Names, addresses (street & P.O.) and telephone numbers of other offices/chapters/branches/affiliates (attach list). N/A

17. List the names, titles and addresses (street & P.O.) of officers, directors, trustees, and the principal salaried executives of organization (attach separate sheet). SEE ATTACHED

18. Attach separate sheet listing names and addresses (street & P.O.) for all below: SEE ATTACHED

Individual(s) responsible for custody of funds  
Individual(s) responsible for distribution of funds  
Individual(s) responsible for fund raising  
Individual(s) responsible for custody of financial records  
Individual(s) authorized to sign checks

19. Has this organization or any of its officers, directors, employees or fund raisers solicited funds in any other state? Yes \_\_\_\_\_ No X

If yes, attach list of states where solicitation was conducted, including registering agency, dates of registration, registration numbers, any other names under which the organization was/is registered, and the dates and type (mail, telephone, door to door, special events, etc) of the solicitation conducted.

20. Has this organization or any of its officers, directors, employees:  
If yes, please attach an explanation

(a) Been enjoined or otherwise prohibited by a government agency/court from operating or soliciting contributions? Yes \_\_\_\_\_ No X

(b) Ever been refused registration or had its registration or tax exemption denied, suspended, modified or revoked by a governmental agency? Yes \_\_\_\_\_ No X

(c) Been the subject of a proceeding regarding any solicitation or registration? Yes \_\_\_\_\_ No X

(d) Entered into a voluntary agreement of compliance or consent judgment with any government agency or in a case before a court or administrative agency? Yes \_\_\_\_\_ No X

21. Have any restrictions been removed during the year from donor-restricted funds? Yes \_\_\_\_\_ No X  
If yes! please attach an explanation

22. Have donor-restricted funds been loaned to unrestricted funds? Yes \_\_\_\_\_ No X  
If yes, please attach an explanation

23. This question involves "Termination of Employment or Change of Control Compensatory Arrangements" with certain "Related Parties" (see instructions and definition sections). Report only if payments made or promised to any individual are in excess of four months salary or \$100,000, whichever dollar amount is less.

a) Did you make actual payments or otherwise transfer value under such an arrangement to any individual described in Related Party definition, sections (a) or (b) which payments are not reported in Question 6 or 7 above? Yes \_\_\_\_\_ No X

(b) Do you have an agreement with any individual described in Related Party definition, section (a) or (b), containing such an arrangement? Yes \_\_\_\_\_ No X

If you answered "yes" for Question 23(a) or 23(b) above, please attach an explanation identifying the individual(s) involved, stating the amount of any payments made or value transferred, and describing the terms of each agreement

24. This question applies to related party transactions, which include transactions with officers, directors, trustees, certain employees, relative, and organizations they own or control. Please consult the instructions and definition sections for the definition of a "Related Party" and "Indebtedness" before answering. Note that transactions involving related parties must be reported even when there is no accounting recognition (e.g., in-kind gifts, waiver of interest not otherwise reported).

If the answer to any part of Question 24 is "Yes", attach a schedule stating the name and address of the related party, the nature of the transaction, the value or the amounts involved in the transaction, and the procedure followed in authorizing the transaction

During the year, has your organization:		Yes	No
(a)	Sold or transferred assets to or purchased assets from or exchanged assets with a related party?		X
(b)	Leased assets to or leased assets from a related party?	X	
(c)	Been indebted to a related party?	X	
(d)	Allowed a related party to be indebted to it?		X
(e)	Made or held an investment in a related party?		X
(f)	Furnished goods, services, or facilities to a related party?		X
(g)	Acquired goods, services, or facilities from a related party who received compensation or other value in return?		X
(h)	Paid or became obligated to pay wages, salary or other compensation to a related party?		X
(i)	Transferred income or assets to or for use by a related party?		X
(j)	Was the organization a party to any transaction in which any of its officers, directors or trustees has a material financial interest, or did any officer, director or trustee receive anything of value not reported as compensation?		X
(k)	Has the organization invested in any corporate stock in which any officer, director, or trustee owns more than 10% of the outstanding shares?		X
(l)	Is any property of the organization held in the name of or commingled with the property of any other person or organization?		X
(m)	Did the organization make a grant award or contribution to any organization in which any of its officers, directors or trustees has a relationship?		X

Under penalty of perjury, I declare that the information furnished in this report, including all attachments, is true and correct to the best of my Knowledge.

Signature of president or other authorized officer or trustee

Title

Date

DAN CLASBY & COMPANY

Name of Preparer

100 CUMMINGS CENTER #238C, BEVERLY, MA 01915

Address

(978) 922-9900

Phone Number

**FEOFFEES OF THE GRAMMAR SCHOOL IN THE TOWN OF IPSWICH**

**FORM PC ATTACHMENTS**

**FED ID# 04-6001191**

**FYE 6/30/05**

**Q 17 & 18**

Alexander B C Mulholland Jr  
PO Box 587  
Ipswich, MA 01938

Chairman

James Foley  
39 River Road  
Ipswich, Ma 01938

Clerk

Donald F. Whiston  
31 Market Street  
Ipswich, MA 01938

Manager

Peter Foote  
401 Colonial Drive  
Ipswich, MA 01938

Treasurer  
signs checks  
custody of funds & financial records  
distribution of funds

COPY

no fundraising



**FEOFFEES OF THE GRAMMAR SCHOOL IN THE TOWN OF IPSWICH**

**FORM PC ATTACHMENTS**

**FED ID# 04-6001191**

**FYE 6/30/05**

Schedule 24(b)

One of the 167 lots of land at Little Neck, Ipswich, is rented to the Foley Family Trust, of which James Foley, a Feoffee, is a beneficial owner. The annual rent for the lot is the same as all 143 lots which are limited to seasonal occupancy.

Schedule 24(c)

The Organization was indebted to the Chairman of its Board of Managers, Alexander Mulholland, Jr. in the amount of \$964,638 at June 30, 2005. His address is P.O. Box 587, Ipswich, MA 01938. A Board of Managers vote approved this transaction.

COPY

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

2004

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

A For the 2004 calendar year, or tax year beginning 7/01/04, and ending 6/30/05

B Check if applicable:

Please use IRS label or print or type. See Specific Instructions.

- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return
- ☐ Amended return
- ☐ Application pending

C Name of organization

FEOFFEEES OF THE GRAMMER SCHOOL IN  
THE TOWN OF IPSWICH

Number and street (or P.O. box if mail is not delivered to street address)

Room/suite

2 DEPOT SQUARE, P.O. BOX 709

City or town, state or country, and ZIP + 4

IPSWICH

MA 01938

D Employer identification no.

04-6001191

E Telephone number

978-356-1040

F Accounting method ☒ Cash☐ Accrual ☐ Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes," enter number of affiliates

H(c) Are all affiliates included? ☐ Yes ☐ No

(If "No," att. a list. See instr.)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☐ No

I Group Exemption Number

M Check ☒ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: N/A

J Organization type

(check only one) ☐ 501(c) ( 0 ) (insert no.) ☐ 4947(a)(1) or ☐ 527

K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 1,391,463

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

1	Contributions, gifts, grants, and similar amounts received:			
a	Direct public support	1a		
b	Indirect public support	1b		
c	Government contributions (grants)	1c		
d	Total (add lines 1a through 1c) (cash \$ noncash \$ )	1d		0
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		
3	Membership dues and assessments	3		
4	Interest on savings and temporary cash investments	4		5,015
5	Dividends and interest from securities	5		
6a	Gross rents	6a	1,386,448	
b	Less: rental expenses See Statement 1	6b	524,613	
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		861,835
7	Other investment income (describe )	7		
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other
b	Less: cost or other basis and sales expenses	8a		
c	Gain or (loss) (attach schedule)	8b		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c		
8d				
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a		
b	Less: direct expenses other than fundraising expenses	9b		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
10a	Gross sales of inventory, less returns and allowances	10a		
b	Less: cost of goods sold	10b		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
11	Other revenue (from Part VII, line 103)	11		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		866,850
13	Program services (from line 44, column (B))	13		300,000
14	Management and general (from line 44, column (C))	14		52,413
15	Fundraising (from line 44, column (D))	15		
16	Payments to affiliates (attach schedule)	16		
17	Total expenses (add lines 16 and 44, column (A))	17		352,413
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		514,437
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		15,687,902
20	Other changes in net assets or fund balances (attach explanation)	20		
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		16,202,339

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

DAA

**Part II Statement of**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations

**Functional Expenses** and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
2	Grants and allocations (attach schedule) <b>Stmnt. 2</b> (cash \$ <b>300,000</b> non-cash \$ )	22 300,000	300,000		
23	Specific assistance to individuals	23			
24	Benefits paid to or for members	24			
25	Compensation of officers, directors, etc.	25 22,214		22,214	
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31 2,300		2,300	
32	Legal fees	32 4,430		4,430	
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41 15,563		15,563	
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses not covered above (itemize):	43a			
b	<b>See Statement 3</b>	43b 7,906		7,906	
c		43c			
d		43d			
e		43e			
4	Total functional expenses (add lines 22 - 43). Organizations completing columns (B)-(D), carry these totals to lines 13-1544	352,413	300,000	52,413	0

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs ; (ii) the amount allocated to Program services\$ ;

(iii) the amount allocated to Management and general ; and (iv) the amount allocated to Fundraising\$

**Part III Statement of Program Service Accomplishments** (See page 25 of the instructions.)

What is the organization's primary exempt purpose?

**► TO GRANT CASH GIFTS TO THE TOWN OF IPSWICH PUBLIC SCHOOLS**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**Program Service Expenses**

(Required for 501(c)(3) &amp; (4) orgs., &amp; 4947(a)(1) trusts; but optional for others.)

a	<b>GIFT TO SCHOOL, TRANSFER TO TOWN OF IPSWICH SCHOOL ACCOUNT.</b>	
	(Grants and allocations \$ 300,000 )	300,000
b		
	(Grants and allocations \$ )	
c		
	(Grants and allocations \$ )	
d		
	(Grants and allocations \$ )	
e	her program services (attach schedule)	(Grants and allocations \$ )
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)	300,000

**Part IV Balance Sheets** (See page 25 of the instructions.)

		(A) Beginning of year	(B) End of year
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.			
45	Cash-non-interest-bearing .....	6,736	543,826
46	Savings and temporary cash investments .....		
47a	Accounts receivable .....		
b	Less: allowance for doubtful accounts .....		
48a	Pledges receivable .....		
b	Less: allowance for doubtful accounts .....		
49	Grants receivable .....		
50	Receivables from officers, directors, trustees, and key employees (attach schedule) .....		
51a	Other notes and loans receivable (attach schedule) .....		
b	Less: allowance for doubtful accounts .....		
52	Inventories for sale or use .....		
53	Prepaid expenses and deferred charges .....		
54	Investments-securities .....		
55a	Investments-land, buildings, and equipment: basis .....		
b	Less: accumulated depreciation (attach schedule) .....		
56	Investments-other (attach schedule) .....	261,266	56,280
57a	Land, buildings, and equipment: basis .....	18,498,104	
b	Less: accumulated depreciation (attach schedule) .....		
58	Other assets (describe) .....	15,419,900	18,498,104
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74) .....	15,687,902	19,166,977
60	Accounts payable and accrued expenses .....		
61	Grants payable .....		
62	Deferred revenue .....		
63	Loans from officers, directors, trustees, and key employees (attach schedule) .....		
64a	Tax-exempt bond liabilities (attach schedule) .....		
b	Mortgages and other notes payable (attach schedule) .....		
65	Other liabilities (describe) .....		2,964,638
66	<b>Total liabilities</b> (add lines 60 through 65) .....	0	2,964,638
<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>			
67	Unrestricted .....	15,637,902	16,152,339
68	Temporarily restricted .....	50,000	50,000
69	Permanently restricted .....		
<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.</b>			
70	Capital stock, trust principal, or current funds .....		
71	Paid-in or capital surplus, or land, building, and equipment fund .....		
72	Retained earnings, endowment, accumulated income, or other funds .....		
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21) .....	15,687,902	16,202,339
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73) .....	15,687,902	19,166,977

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-B	Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
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**IV List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see page 27 of the instructions.)

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ☐ Yes ☒ No  
If "Yes," attach schedule-see page 28 of the instructions.

Part VI Other Information (See page 28 of the instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
7	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed	90a	MA
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	
91	The books are in care of PETER FOOTE Located at IPSWICH, MA		Telephone no. 978-356-1040 ZIP + 4 01938
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by sec. 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	5,015	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	861,835	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		866,850	0
105 Total (add line 104, columns (B), (D), and (E))					866,850

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
N/A	

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes ☒ No ☐
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes ☐ No ☒

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature of officer		Date	
Paid Preparer's Use Only	Type or print name and title.			
	Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Instr. W)
	Firm's name (or yours if self-employed), address, and ZIP + 4	EIN		Phone no.
	Dan Clasby & Company 100 Cummings Center Suite 238C Beverly, MA 01915	9/13/07		04-3395132 978-922-9900

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

**2004**

**Supplementary Information-(See separate instructions.)**

Department of the Treasury  
Internal Revenue Service

▶ **MUST** be completed by the above organizations and attached to their Form 990 or 990-EZ

Name of the organization

**FEOFFEES OF THE GRAMMER SCHOOL IN  
THE TOWN OF IPSWICH**

Employer identification number

**04-6001191**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to empl. ben. plans & deferred comp.	(e) Expense account and other allowances
<b>NONE</b>				
Total number of other employees paid over \$50,000 ▶				

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<b>NONE</b>		
Total number of others receiving over \$50,000 for professional services ▶		

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2004



**Part III Statements About Activities** (See page 2 of the instructions.)

Yes No

1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d		X
e	Transfer of any part of its income or assets?	2e		X
3a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)	3a		X
b	Do you have a section 403(b) annuity plan for your employees?	3b		X
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b		X

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions.)The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions-subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 1 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
<b>16</b> Membership fees received					
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
<b>23</b> Total of lines 15 through 22					
<b>24</b> Line 23 minus line 17					
<b>25</b> Enter 1% of line 23					

<b>26 Organizations described on lines 10 or 11:</b> a Enter 2% of amount in column (e), line 24	26a
Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____	26d
22 _____ 26b _____	26e
e Public support (line 26c minus line 26d total)	26f
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	%

<b>27 Organizations described on line 12:</b> a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: <b>N/A</b>	
(2003) _____ (2002) _____ (2001) _____ (2000) _____	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: <b>N/A</b>	
(2003) _____ (2002) _____ (2001) _____ (2000) _____	
c Add: Amounts from column (e) for lines: 15 _____ 16 _____	27c
17 _____ 20 _____ 21 _____	27d
d Add: Line 27a total _____ and line 27b total _____	27e
e Public support (line 27c total minus line 27d total)	27f
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	27g
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	%

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See page 7 of the instructions.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)

	N/A	Yes	No
<b>29</b> Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....	<b>29</b>		
<b>30</b> Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....	<b>30</b>		
<b>31</b> Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? .....	<b>31</b>		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) ..... ..... .....			
<b>32</b> Does the organization maintain the following:			
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? .....	<b>32a</b>		
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	<b>32b</b>		
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	<b>32c</b>		
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions? .....	<b>32d</b>		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ..... .....			
<b>33</b> Does the organization discriminate by race in any way with respect to:			
<b>a</b> Students' rights or privileges? .....	<b>33a</b>		
Admissions policies? .....	<b>33b</b>		
<b>c</b> Employment of faculty or administrative staff? .....	<b>33c</b>		
<b>d</b> Scholarships or other financial assistance? .....	<b>33d</b>		
<b>e</b> Educational policies? .....	<b>33e</b>		
<b>f</b> Use of facilities? .....	<b>33f</b>		
<b>g</b> Athletic programs? .....	<b>33g</b>		
<b>h</b> Other extracurricular activities? .....	<b>33h</b>		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ..... .....			
<b>34a</b> Does the organization receive any financial aid or assistance from a governmental agency? .....	<b>34a</b>		
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? .....	<b>34b</b>		
If you answered "Yes" to either 34a or b, please explain using an attached statement. .....			
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation .....	<b>35</b>		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**Check ☐ **a** if the organization belongs to an affiliated group. Check ☐ **b** if you checked "a" and "limited control" provisions apply.**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table-		
If the amount on line 40 is-		
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720.**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.



## Federal Statements

Statement 1 - Form 990, Part I, Line 6b - Rental Expenses

<u>Description</u>	<u>Deduction</u>
COTTAGES	
REAL ESTATE	480,220
BEACH SAMPLING	760
POLICE DETAIL	9,353
DOCK REMOVAL & STORAGE	2,380
TELEPHONE	223
REPAIRS & UPKEEP	31,677
Total	<u>524,613</u>

COPY

Statement 2 - Form 990, Part II, Line 22 - Grants, Allocations and Contributions

Name Address		Relationship to Org	Class of Activity			BV Explantn	FMV Explantn
	Date of Gift	Description of Property	Cash Contrib	NonCash Contrib	Book Value		
TOWN OF IPSWICH		NONE		EDUCATIONAL			
			\$ 300,000	\$	\$		
Total			\$ 300,000	\$ 0	\$ 0		

COPY

## Federal Statements

Statement 3 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
COMM OF MASS FILING FEES	125		125	
INSURANCE	5,495		5,495	
MEETINGS	306		306	
OFFICE EXPS	1,766		1,766	
ADVERTISING	214		214	
Total	\$ 7,906	\$ 0	\$ 7,906	\$ 0

COPY



## Federal Statements

Statement 4 - Form 990, Part IV, Line 56 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation
SAVINGS RESERVE FOR CAPITAL IMPROVEMENTS	\$ 261,266	\$ 56,280	
Total	\$ 261,266	\$ 56,280	

Statement 5 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
LAND	\$15,419,900	\$	\$15,419,900	\$
SEWER IMPROVEMENTS			2,606,930	
ELECTRICAL IMPROVEMENTS			471,274	
Total	\$15,419,900	\$ 0	\$18,498,104	\$ 0

Statement 6 - Form 990, Part IV, Line 58 - Other Assets

Description	Beginning of Year	End of Year
INTANGIBLE ASSET	\$ 68,767	\$ 68,767
Total	\$ 68,767	\$ 68,767

Statement 7 - Form 990, Part IV, Line 65 - Other Liabilities

Description	Beginning of Year	End of Year
NOTES PAYABLE	\$ 2,964,638	\$ 2,964,638
Total	\$ 2,964,638	\$ 2,964,638

Federal Statements

Statement 8 - Form 990, Part IV-A - Other Revenue Included on Financial Statements

<u>Description</u>	<u>Amount</u>
RENTAL EXPENSES NETTED AGAINST RENTAL REVENUE	\$ 524,613
Total	\$ 524,613

Statement 9 - Form 990, Part IV-B - Other Expenses Included on Financial Statements

<u>Description</u>	<u>Amount</u>
RENTAL EXPENSES NETTED AGAINST RENTAL REVENUE	\$ 524,613
Total	\$ 524,613

COPY

**FEOFFEES OF THE GRAMMAR SCHOOL**

Financial Statements

June 30, 2005

# FEOFFEES OF THE GRAMMAR SCHOOL

## Table of Contents

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Independent Auditors' Report	1
Exhibit A - Statement of assets, liabilities, and net assets - cash basis as of June 30, 2005	2
Exhibit B - Statement of activities - cash basis for the year ended June 30, 2005	3
Notes to financial statements	4 & 5

DAN CLASBY & COMPANY  
Certified Public Accountants

-1-

INDEPENDENT AUDITORS' REPORT

To the Board of Managers  
Feoffees of the Grammar School  
Ipswich, Massachusetts

We have audited the statements of assets, liabilities, and net assets - cash basis of Feoffees of the Grammar School (a non-profit organization) as of June 30, 2005, and the related statement of activities - cash basis for the year then ended. These financial statements are the responsibility of the Trust's managers. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Trust's managers, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting and are not intended to be presented in conformity with generally accepted accounting principles.

In addition, generally accepted accounting principles require that land be stated at cost. The Organization has stated its land at its assessed value and that, if generally accepted accounting principles had been followed, the land account and the net assets would have been decreased by \$15,419,900.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Feoffees of the Grammar School as of June 30, 2005, and its activities for the year then ended, on the basis of accounting described in Note 1.



October 19, 2005

email: ClasbyCo@msn.com

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**FEOFFEES OF THE GRAMMAR SCHOOL**

## Statement of Assets, Liabilities, and Net Assets - Cash Basis

As of June 30, 2005

Assets

Cash - operating	\$ 543,826
Cash -- savings	56,280
Land and buildings at assessed value 06/30/1998	15,419,900
Electric improvements, at cost	471,274
Sewer improvements, at cost	2,606,930
Intangible assets, net	<u>68,767</u>
Total Assets	\$ <u>19,166,977</u>

Liabilities and Net Assets

Liabilities	
Note payable - bank	2,000,000
Note payable - related party	<u>964,638</u>
Total liabilities	<u>2,964,638</u>
Net assets:	
Unrestricted	16,152,339
Restricted	<u>50,000</u>
Total net assets	<u>16,202,339</u>
Total Liabilities and Net Assets	\$ <u>19,166,977</u>

See Independent Auditors' Report.

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

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## FEOFFEES OF THE GRAMMAR SCHOOL

## Statement of Activities - Cash Basis

For the Year Ended June 30, 2005

	<u>Undesignated</u>	<u>Board Designated</u>	<u>Total</u>
Support and Revenue:			
Buildings, home and land collections	\$ 461,448	\$ -	\$ 461,448
Rents	809,500	-	809,500
Assessments - DEP study	115,500	-	115,500
Interest income	<u>5,015</u>	<u>-</u>	<u>5,015</u>
Total support and revenue	<u>1,391,463</u>	<u>-</u>	<u>1,391,463</u>
Expenses:			
Real estate taxes	480,220	-	480,220
Gift to Town of Ipswich Public Schools	300,000	-	300,000
Repairs and upkeep	31,677	-	31,677
Salaries	22,214	-	22,214
Interest expense	15,563	-	15,563
Police details	9,353	-	9,353
Insurance	5,495	-	5,495
Legal	4,430	-	4,430
Dock removal and storage	2,380	-	2,380
Accounting	2,300	-	2,300
Office expense	1,766	-	1,766
Beach sampling	760	-	760
Meetings	306	-	306
Telephone	223	-	223
Advertising	214	-	214
State fees	<u>125</u>	<u>-</u>	<u>125</u>
Total expenses	<u>877,026</u>	<u>-</u>	<u>877,026</u>
Change in net assets	514,437	-	514,437
Net assets, beginning of year	<u>15,637,902</u>	<u>50,000</u>	<u>15,687,902</u>
Net assets, end of year	<u>\$ 16,152,339</u>	<u>\$ 50,000</u>	<u>\$ 16,202,339</u>

See Independent Auditors' Report.

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



## FEOFFEES OF THE GRAMMAR SCHOOL

### Notes to Financial Statements

#### (1) Summary of significant accounting policies

##### *(a) Nature of organization*

Feoffees of the Grammar School (the "Trust") was established by the Town of Ipswich (the "Town") by a vote of Town Meeting on November 14, 1650. The vote established a four-member committee to hold land granted by the Town for the support of a "grammar school". The Trust came into possession of the real property currently held in 1660 through the bequest of William Paine, an original member of the 1650 committee.

The real property consists of a parcel of land of approximately thirty five (35) acres in Ipswich, Massachusetts. On this land are situated one hundred sixty seven (167) cottages, of which one hundred forty three (143) are seasonal and twenty four (24) are year round. The seasonal cottages may only be occupied between April 1 and November 30 each year.

The Trust is assessed and pays to the Town the real estate taxes on the land and on such structures owned by the Trust (a community center and a wharf); in addition they collect for the Town and remit to the Town the real estate taxes assessed on the cottages.

Because the Trust designates its net earnings to be for the benefit of the children of the Ipswich Public Schools, with no benefits accruing to its trustees, it has considered itself to be a tax-exempt organization. However until 1997 no federal or state tax returns were filed by the Trust, as it was the position of the Trust that it was a "quasi-public trust" and therefore was not technically required to file the tax returns.

The Trust is supported primarily through rent collections.

##### *(b) Financial statement presentation*

The Trust has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Trust 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.

There are no temporarily or permanently restricted net assets.

The financial statements of the Trust are prepared on the cash basis of accounting. The cash basis of accounting used by Feoffees of the Grammar School recognizes income and the related assets when received rather than when earned and recognizes expenses when paid rather than when the obligation is incurred.

##### *(c) Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## FEOFFEES OF THE GRAMMAR SCHOOL

### Notes to Financial Statements

#### (2) Note payable - bank

The Trust has a construction loan with a local bank of \$6,483,000 of which \$2,000,000 is outstanding at June 30, 2005. The construction loan carries interest at the prime rate plus 1%. The construction loan is secured by the assets of the trust. The construction loan is for a period of up to nine (9) months. The loan then converts to a permanent term loan for a period of 20 years with an interest rate fixed for five years at the Federal Home Loan Bank of Boston classic advance rate plus 2.75%, with a floor of 6.75%. The purpose of this loan is for sewer upgrades.

The Trust has a second construction loan with the same bank of \$535,000 of which \$-0- is outstanding at June 30, 2005. This loan carries interest at the fixed rate of 6.5%. This construction loan is secured by the assets of the trust. This construction loan is for a period of up to twelve (12) months. This loan then converts to a permanent term loan for a period of four (4) years. The purpose of this loan is for underground electrical upgrades.

#### (3) Note payable - related party

The Trust is indebted to the Chairman of its Board of Managers in the amount of \$964,638 at June 30, 2005. The Chairman established a line of credit of \$1,000,000 with the same financial institution that is referred to in Note 2 above, as the bank could not lend the Feoffees more than \$2,000,000 pending the receipt of an order from the Essex Probate Court authorizing those loans. The note carries interest at 6.2%, which is the identical rate charged by the bank to the Chairman. This note was paid off during September 2005 with proceeds from the Trust's first construction loan.