

The Concord-Carlisle Scholarship Fund

Financial Statements

**For the Years Ended
January 31, 2008 and 2007**

Contents

	Page
Independent auditors' report	1
Financial statements	
Statements of assets, liabilities and net assets	2
Statements of revenue, expenses and change in net assets	3
Statements of functional expenses	4
Statements of cash flows	5
Notes accompanying the financial statements	6 - 8

INDEPENDENT AUDITORS' REPORT

The Board of Directors of
The Concord-Carlisle Scholarship Fund
Concord, Massachusetts

We have audited the accompanying statement of assets, liabilities, and net assets of **The Concord-Carlisle Scholarship Fund**, (a nonprofit organization) as of January 31, 2008, and the related statements of revenue, expenses and change in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for 2007 were audited by Nelson, Adam & Dickson, P.C., who merged with Braver PC on August 1, 2007, and whose opinion on those financial statements dated July 31, 2007, was unqualified.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **The Concord-Carlisle Scholarship Fund** as of January 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Braver PC

Newton, Massachusetts
October 22, 2008

The Concord-Carlisle Scholarship Fund

Statements of Assets, Liabilities and Net Assets January 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<i>Assets</i>		
Cash	\$ 101,447	\$ 4,342
Money market funds	26,501	81,256
Marketable debt securities	534,389	466,882
Marketable equity securities	1,163,027	1,191,763
Other receivables	-	459
	<hr/>	<hr/>
Total assets	<u>\$ 1,825,364</u>	<u>\$ 1,744,702</u>
 <i>Liabilities and Net Assets</i>		
Unrestricted net assets		
Designated by the Board for endowment purposes	\$ 479,419	\$ 553,592
Permanently restricted net assets		
Restricted for		
Permanent endowments	<u>1,345,945</u>	<u>1,191,110</u>
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Total net assets	<u>\$ 1,825,364</u>	<u>\$ 1,744,702</u>

The Concord-Carlisle Scholarship Fund

Statements of Revenue, Expenses and Change in Net Assets For the Years Ended January 31, 2008 and 2007

	2008		2007	
	Unrestricted	Permanently Restricted	Unrestricted	Permanently Restricted
Revenue				
Contributions	\$ 116,683	\$ 154,835	\$ 101,554	\$ 278,487
Total revenue	<u>116,683</u>	<u>154,835</u>	<u>101,554</u>	<u>278,487</u>
Expenses				
Program services	176,625	-	146,000	-
Fund raising	10,312	-	11,445	-
Management and general	5,078	-	4,525	-
Total expenses	<u>192,015</u>	<u>-</u>	<u>161,970</u>	<u>-</u>
Change in net assets from operating activities	<u>(75,332)</u>	<u>154,835</u>	<u>(60,416)</u>	<u>278,487</u>
Other income				
Interest and dividend income	106,707	-	67,416	-
Net realized gain on investments	86,608	-	67,329	-
Unrealized gain (loss) on investments	<u>(192,156)</u>	<u>-</u>	<u>8,184</u>	<u>-</u>
Total other income	<u>1,159</u>	<u>-</u>	<u>142,929</u>	<u>-</u>
Change in net assets	<u>(74,173)</u>	<u>154,835</u>	<u>82,513</u>	<u>278,487</u>
Net assets, beginning of year	<u>553,592</u>	<u>1,191,110</u>	<u>471,079</u>	<u>912,623</u>
Net assets, end of year	<u>\$ 479,419</u>	<u>\$ 1,345,945</u>	<u>\$ 553,592</u>	<u>\$ 1,191,110</u>
				<u>\$ 1,744,702</u>

The accompanying notes are an integral part of these financial statements

The Concord-Carlisle Scholarship Fund

Statement of Functional Expenses For the Years Ended January 31, 2008 and 2007

	2008			2007				
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Scholarships	\$ 176,625	-	-	\$ 176,625	\$ 146,000	-	-	\$ 146,000
Stationery, printing and postage	-	-	9,198	9,198	-	-	11,103	11,103
Professional fees	-	1,500	-	1,500	-	1,500	-	1,500
Meetings	-	1,500	-	1,500	-	152	-	152
Phonathon	-	-	1,114	1,114	-	-	342	342
Fidelity bond	-	950	-	950	-	1,063	-	1,063
Office expenses	-	753	-	753	-	1,490	-	1,490
Dues	-	250	-	250	-	250	-	250
Filing fees	-	125	-	125	-	70	-	70
Total expenses	\$ 176,625	\$ 5,078	\$ 10,312	\$ 192,015	\$ 146,000	\$ 4,525	\$ 11,445	\$ 161,970

The accompanying notes are an integral part of these financial statements

The Concord-Carlisle Scholarship Fund

**Statements of Cash Flows
For the Years Ended January 31, 2008 and 2007**

	2008	2007
Cash flows from operating activities		
Change in net assets from operating activities	\$ 79,503	\$ 218,071
Adjustments to reconcile change in net assets from operating activities to net cash provided by operating activities		
Decrease (increase) in other receivables	459	(459)
Net cash provided by operating activities	79,962	217,612
Cash flows from investing activities		
Interest and dividend income	106,707	67,416
Proceeds from investments sold	794,375	674,081
Purchase of investments	(938,694)	(906,902)
Net cash used in investing activities	(37,612)	(165,405)
Net increase in cash	42,350	52,207
Cash, beginning of year	85,598	33,391
Cash, end of year	\$ 127,948	\$ 85,598
Cash appears on the statement of assets, liabilities and net assets as follows:		
Cash	\$ 101,447	\$ 4,342
Money market funds	26,501	81,256
Total cash	\$ 127,948	\$ 85,598

The Concord-Carlisle Scholarship Fund

Notes Accompanying the Financial Statements For the Years Ended January 31, 2008 and 2007

1. Organization

The Concord-Carlisle Scholarship Fund (the "Fund") is a non-profit organization chartered in 1966. Its purpose is to assist deserving young men and women from the Concord-Carlisle community, including young men and women from outside the Concord-Carlisle community who have graduated from secondary school studies within the Concord-Carlisle community and young men and women who are current or past residents of the Concord-Carlisle community who have graduated from secondary school studies outside of the Concord-Carlisle community, in obtaining, to the fullest extent possible, the benefit of the educational opportunities which may be open to them after completion of their secondary school studies.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are presented in accordance with recommendations of the Financial Accounting Standards Board in Statement of Financial Accounting Standard ("SFAS") No. 117, "*Financial Statements for Not-for-Profit Organizations*." Under SFAS No. 117, the Fund 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 Fund accounts for its investments in accordance with SFAS No. 124, "*Accounting for Certain Investments Held by Not-for-Profit Organizations*." SFAS No. 124 requires the Fund to record certain investment securities at their fair values. Unrealized gains and losses are included in the statement of revenue, expenses and change in net assets.

Basis of Accounting

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

Income Taxes

The Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Fund 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 Fund is also exempt from state income tax.

Use of 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.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Fund generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Fund with campaign solicitations and various committee assignments.

The Concord-Carlisle Scholarship Fund

Notes Accompanying the Financial Statements For the Years Ended January 31, 2008 and 2007

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Fund considers all unrestricted highly-liquid investments with an original maturity of three months or less to be cash equivalents.

Contributions

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions.

Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the Fund. 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 contributions are reported as increases in temporarily or permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

3. Investments

Short-term and long-term investments are stated at fair value. Fair values and unrealized appreciation (depreciation) at January 31, 2008 and 2007, are summarized as follows:

	Cost	Fair Value	Unrealized Gain or Loss
2008			
Marketable debt securities	\$ 529,908	\$ 534,389	\$ 4,481
Marketable equity securities	<u>1,177,202</u>	<u>1,163,027</u>	<u>(14,175)</u>
	<u><u>\$ 1,707,110</u></u>	<u><u>\$ 1,697,416</u></u>	<u><u>\$ (9,694)</u></u>
2007			
Marketable debt securities	\$ 469,011	\$ 466,882	\$ (2,129)
Marketable equity securities	<u>1,007,172</u>	<u>1,191,763</u>	<u>184,591</u>
	<u><u>\$ 1,476,183</u></u>	<u><u>\$ 1,658,645</u></u>	<u><u>\$ 182,462</u></u>

The Concord-Carlisle Scholarship Fund

Notes Accompanying the Financial Statements For the Years Ended January 31, 2008 and 2007

3. Investments (Continued)

The following schedule summarizes the investment return in the statements of activity for the years ended January 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Interest and dividend income	\$ 106,707	\$ 67,416
Net realized gain on investments	86,608	67,329
Unrealized gain (loss) on investments	<u>(192,156)</u>	<u>8,184</u>
Total investment return	<u>\$ 1,159</u>	<u>\$ 142,929</u>

At January 31, 2008, debt securities held by the Fund mature in the following time periods:

	<u>Fair Value</u>	<u>Amortized Cost</u>
Year of Maturity:		
2008	\$ 286,134	\$ 285,000
2009	151,016	149,908
2010	<u>97,239</u>	<u>95,000</u>
Total	<u>\$ 534,389</u>	<u>\$ 529,908</u>

4. Concentration of Credit Risk

The Fund maintains deposits which are not federally insured. Non-federally insured accounts on January 31, 2008 and 2007, total \$1,196,353 and \$1,273,019, respectively.

5. Investment Expenses

Expenses relating to investments, including custodial fees and investment advisory fees, amounted to \$10,552 in 2008 and \$8,133 in 2007, and have been netted against investment revenues in the accompanying statements of revenue, expenses and change in net assets.

6. Reclassifications

Certain amounts in the 2007 financial statements have been reclassified to conform to the 2008 presentation. Such reclassifications have no effect on the change in net assets.

7. Restricted Net Assets

The Fund accepts contributions in memory of or in honor of individuals ("Named Funds"). All contributions into the Named Funds become part of the permanent, protected endowment and are classified as restricted net assets. Earnings generated from the protected endowment are distributed as scholarships. Any undistributed earnings are residually classified as unrestricted net assets.

8. Designation of Unrestricted Net Assets

It is the policy of the Board of Directors of the Fund to designate all unrestricted net assets for endowment purposes.