

COMMUNITY FOUNDATION OF NORTH

CENTRAL MASSACHUSETTS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2013

WITH SUMMARIZED FINANCIAL INFORMATION FOR
THE YEAR ENDED JUNE 30, 2012

COMMUNITY FOUNDATION OF NORTH

CENTRAL MASSACHUSETTS, INC.

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REAGAN & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Fitchburg, Massachusetts
September 13, 2013

To the Board of Directors
Community Foundation of North Central Massachusetts, Inc.

We have audited the accompanying financial statements of the Community Foundation of North Central Massachusetts, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 require 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 financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of North Central Massachusetts, Inc. as of June 30, 2013, 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.

Report on Summarized Comparative Information

We have previously audited the Community Foundation of North Central Massachusetts, Inc.'s 2012 financial statements, and our report dated September 7, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013**

(with summarized comparative totals for June 30, 2012)

		<u>ASSETS</u>	
		2013	2012 Summarized
Cash	\$	310,908	\$ 227,969
Short-term investments (Note 2)		3,611,073	4,987,711
Contributions receivable (Note 3)		604,083	36,383
Other receivables		27,456	26,940
Prepaid expenses		10,068	8,782
Long-term investments (Note 4)		29,152,169	25,560,905
Property and equipment, net (Note 6)		1,209	2,393
Total assets	\$	33,716,966	\$ 30,851,083
 <u>LIABILITIES AND NET ASSETS</u>			
Accounts payable	\$	22,548	\$ 29,585
Grants payable (Note 7)		110,000	30,000
Agency funds and endowments (Note 8)		3,888,672	4,853,743
Total liabilities		4,021,220	4,913,328
NET ASSETS:			
Unrestricted net assets		1,709,094	1,643,711
Temporarily restricted net assets (Note 14)		12,667,895	9,301,970
Permanently restricted net assets (Note 14)		15,318,757	14,992,074
Total net assets		29,695,746	25,937,755
Total liabilities and net assets	\$	33,716,966	\$ 30,851,083

COMMUNITY FOUNDATION OF NORTH CENTRAL MASSACHUSETTS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

(with summarized comparative totals for June 30, 2012)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Totals	2012 Summarized
REVENUES:					
Contributions (Note 9)	\$ 3,451,547	\$ 1,979,068	\$ 326,683	\$ 5,757,298	\$ 15,207,856
Donated space (Note 10)	3,000	-	-	3,000	3,600
Fundraising Events (net of expenses)	64,391	-	-	64,391	-
Investment income (Note 11)	82,786	764,061	-	846,847	510,801
Realized gain on sale of investments	31,305	143,389	-	174,694	105,140
Administrative fee revenue (Note 12)	44,592	-	-	44,592	55,098
Sponsorships	1,700	-	-	1,700	12,600
Operating grant revenue	4,252	-	-	4,252	40,546
Assets released from restrictions - expiration of use restrictions	1,764,462	(1,764,462)	-	-	-
Total revenue	5,448,035	1,122,056	326,683	6,896,774	15,935,641
EXPENSES:					
Management and general	134,210	-	-	134,210	111,178
Fund-raising	126,184	-	-	126,184	158,773
Program (excluding grants and donor directed distributions)	39,010	-	-	39,010	39,944
Total expenses	299,404	-	-	299,404	309,895
Grants and donor directed distributions	5,093,286			5,093,286	8,590,483
Total expenses and donor directed distributions	5,392,690	-	-	5,392,690	8,900,378
INCREASE IN NET ASSETS FROM OPERATIONS	55,345	1,122,056	326,683	1,504,084	7,035,263
OTHER INCREASE IN NET ASSETS:					
Unrealized gain (loss) on investments	10,038	2,243,869	-	2,253,907	(880,457)
INCREASE IN NET ASSETS	65,383	3,365,925	326,683	3,757,991	6,154,806
NET ASSETS - BEGINNING OF PERIOD	1,643,711	9,301,970	14,992,074	25,937,755	19,284,903
PRIOR PERIOD ADJUSTMENT (NOTE 16)	-	-	-	-	498,046
NET ASSETS - BEGINNING OF PERIOD, ADJUSTED	1,643,711	9,301,970	14,992,074	25,937,755	19,782,949
NET ASSETS - END OF PERIOD	\$ 1,709,094	\$ 12,667,895	\$ 15,318,757	\$ 29,695,746	\$ 25,937,755

See Independent Auditors' Report and Accompanying Notes to Financial Statements

COMMUNITY FOUNDATION OF NORTH CENTRAL MASSACHUSETTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

(with summarized comparative totals for June 30, 2012)

	Management and General	Fund-raising	Program	2013 Totals	2012 Summarized
Donor directed distributions	\$ -	\$ -	\$ 3,945,397	\$ 3,945,397	\$ 7,674,711
Grants	-	-	1,147,889	1,147,889	915,772
Grants and donor directed distributions	-	-	5,093,286	5,093,286	8,590,483
Payroll and payroll benefits (Note 13)	60,170	85,331	32,199	177,700	193,674
Accounting and auditing	38,915	-	-	38,915	31,700
Conferences and training	601	1,608	-	2,209	10,618
Depreciation	1,184	-	-	1,184	2,809
Design and marketing	-	20,941	-	20,941	20,530
Dues and subscriptions	1,679	-	2,321	4,000	5,112
Insurance	3,275	-	-	3,275	3,663
Legal fees	6,806	-	-	6,806	-
Miscellaneous	1,580	-	-	1,580	1,057
Newsletter	-	1,475	-	1,475	3,254
Occupancy	1,500	1,500	-	3,000	3,600
Office supplies and postage	5,574	4,331	326	10,231	11,765
Printing	4,131	1,038	1,709	6,878	4,984
Software maintenance	6,162	4,833	1,087	12,082	8,789
Telephone	1,630	1,402	288	3,320	2,898
Travel	1,003	1,316	1,080	3,399	3,532
Website	-	2,409	-	2,409	1,910
	<u>\$ 134,210</u>	<u>\$ 126,184</u>	<u>\$ 5,132,296</u>	<u>\$ 5,392,690</u>	<u>\$ 8,900,378</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013**

(with summarized comparative totals for June 30, 2012)

	2013	2012 Summarized
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 3,757,991	\$ 6,154,806
Adjustments to reconcile increase in net assets to net cash used for operating activities:		
Depreciation	1,184	2,809
Contributions restricted for long-term investment	(2,305,751)	(7,897,681)
Interest and dividends restricted for long-term investment	(764,061)	(464,200)
Unrealized (gain) loss on investments	(2,253,907)	880,457
(Increase) decrease in:		
Contributions receivable	(567,700)	69,326
Other receivables	(516)	(1,853)
Prepaid expenses	(1,286)	(1,768)
Increase (decrease) in:		
Accounts payable	(7,037)	3,728
Grants payable	80,000	(159,400)
Agency funds and endowments	(965,071)	(436,789)
Net cash used for operating activities	(3,026,154)	(1,850,565)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(926)
Proceeds from sale of investments	6,671,134	7,104,378
Purchase of investments	(6,631,853)	(13,527,282)
Net cash provided by (used for) investing activities	39,281	(6,423,830)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Receipts of contributions restricted for long-term investment	2,305,751	7,897,681
Interest and dividends restricted for long-term investment	764,061	464,200
Net cash provided by financing activities	3,069,812	8,361,881
NET INCREASE IN CASH	82,939	87,486
CASH - BEGINNING OF YEAR	227,969	140,483
CASH - END OF YEAR	\$ 310,908	\$ 227,969

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities –

The Community Foundation of North Central Massachusetts, Inc. was organized March 21, 2001. The Foundation is a collection of charitable funds established by various donors to be utilized for the benefit of the overall community needs.

Accounting Method –

The financial statements of the Community Foundation of North Central Massachusetts, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation –

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958 -205, *Not for Profit Entity, Presentation of Financial Statements*. Under those provisions, net assets and revenues, gains and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Community Foundation of North Central Massachusetts, Inc. pursuant to those stipulations or that expire by the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets.

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** (Continued)

Summarized Comparative Financial Information –

The financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Cash and Cash Equivalents –

For financial statement purposes, the Community Foundation of North Central Massachusetts, Inc. considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment –

The Organization follows the practice of capitalizing, as property and equipment, expenditures of \$500 or higher. Property and equipment are stated at cost or, in the case of gifts, at fair market value at the date of donation. Depreciation is provided on a straight-line basis over the following estimated useful lives of the assets:

	<u>Years</u>
Computers and computer software	3-5
Website	5

Contributed Services –

The Organization receives a substantial amount of services donated by volunteers in carrying out the organization's fundraising activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under the FASB ASC 958-605-25, *Not for Profit Entity, Revenue Recognition, Contributed Services*.

Income Tax Status –

The Organization is a nonprofit organization and is exempt from federal income taxes under Section 501(c)(3) of the US Internal Revenue Code.

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** (Continued)

Estimates –

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

Fair Value of Investment Securities –

The Organization follows the provisions of the FASB ASC 320, *Debt and Equity Securities*. This guidance requires that investments in debt securities and certain equity securities be measured at fair value. Fair value is determined based on quoted market value. Realized and unrealized gains and losses on investments are recognized in the period in which they occur.

Investment Income and Gains –

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period which the income and gains are recognized.

Expense Allocation –

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Designation of Unrestricted Net Assets –

It is the policy of the Board of Directors of the Organization to designate appropriate sums of unrestricted net assets to assure adequate financing for grant proposals.

Date of Management Review –

Subsequent events have been evaluated through September 13, 2013, which is the date the financial statements were available to be issued.

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** (Continued)

Accounting for Uncertain Tax Positions –

The Foundation has adopted FASB ASC 740-10, *Income Taxes, Accounting for Uncertainty*, that clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Foundation's income tax returns. The Foundation's income tax filings are subject to audit by various taxing authorities. The Foundation's open audit periods are 2009 - 2012. The Foundation evaluates all tax positions in conformity with FASB ASC 450, *Contingencies*, which requires recording tax liabilities that are probable and can be reasonably estimated. As of June 30, 2013 and 2012, the Organization believes that no such accruals are required.

2. **SHORT-TERM INVESTMENTS:**

Short-term investments consisted of cash, money market accounts and short-term stock holdings.

3. **CONTRIBUTIONS RECEIVABLE:**

Unconditional promises to give at June 30, 2013, and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Receivable in less than one year	\$ 52,739	\$ 19,876
Receivable in one to five years	<u>557,731</u>	<u>17,173</u>
Total unconditional promises to give	610,470	37,049
Less: Discounts to net present value	<u>(6,387)</u>	<u>(666)</u>
Net unconditional contributions receivable	<u>\$ 604,083</u>	<u>\$ 36,383</u>

4. **LONG-TERM INVESTMENTS:**

Investments in debt securities and equity securities with readily determinable fair values are carried at fair value.

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

4. LONG-TERM INVESTMENTS: (Continued)

Long-term investments at June 30, 2013 were comprised of the following:

	<u>Cost</u>	<u>Determinable Fair Market Value</u>	<u>Unrealized Gain</u>
Mutual Funds	\$23,254,841	\$28,015,412	\$ 4,760,571
US Government / Municipal Bonds	<u>1,126,453</u>	<u>1,136,757</u>	<u>10,304</u>
Total long-term investments	<u><u>\$24,381,294</u></u>	<u><u>\$29,152,169</u></u>	<u><u>\$ 4,770,875</u></u>

5. FAIR VALUE OF FINANCIAL INSTRUMENTS:

FASB ASC 820, *Fair Value Measurement and Disclosure*, defines fair value and establishes a framework for measuring fair value by providing a hierarchy consisting of three levels of input.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are available indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 inputs are unobservable and generally allow for situations in which there is little, if any, market activity. They are based on the reporting entity's own assumptions about the factors market participants would use in pricing the asset or liability.

At June 30, 2013 and 2012, the carrying amounts of the Foundation's cash and cash equivalents, contributions receivable, accounts payable and other current liabilities reported in the statement of financial position approximate fair market values as described in the Level 1 criteria.

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

5. FAIR VALUE OF FINANCIAL INSTRUMENTS: (Continued)

Fair value assets measured on a recurring basis as of June 30, 2013 and 2012 are as follows:

At June 30, 2013				
	Total 2013	Quoted Prices		
		In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
Cash and Equivalents	\$ 310,908	\$ 310,908	\$ -	\$ -
Short Term Investments	3,611,073	3,611,073	-	-
Long Term Investments			-	-
Mutual Funds	28,015,412	28,015,412	-	-
US Government / Municipal Bonds	1,136,757	1,136,757	-	-

At June 30, 2012				
	Total 2012	Quoted Prices		
		In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
Cash and Equivalents	\$ 227,969	\$ 227,969	\$ -	\$ -
Short Term Investments	4,987,711	4,987,711	-	-
Long Term Investments			-	-
Mutual Funds	25,101,542	25,101,542	-	-
US Government / Municipal Bonds	459,363	459,363	-	-

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

6. PROPERTY AND EQUIPMENT:

As of June 30, 2013 and 2012, property and equipment consisted of:

	<u>2013</u>	<u>2012</u>
Computers and computer software	\$ 50,643	\$ 50,643
Website	<u>3,800</u>	<u>3,800</u>
	54,443	54,443
Less: Accumulated depreciation	<u>(53,234)</u>	<u>(52,050)</u>
Net assets	<u>\$ 1,209</u>	<u>\$ 2,393</u>

Depreciation expense was \$1,184 and \$2,809 for the years ended June 30, 2013 and 2012, respectively.

7. GRANTS PAYABLE:

Grants authorized but unpaid at year end are reported as liabilities in accordance with FASB ASC 605, *Revenue Recognition*. The following is a summary of grants authorized:

	<u>2013</u>	<u>2012</u>
General Endowment Grants	\$ 60,000	\$ 30,000
Donor Advised Grant Payable	<u>50,000</u>	<u>--</u>
	<u>\$ 110,000</u>	<u>\$ 30,000</u>

8. AGENCY FUNDS AND ENDOWMENTS:

Funds that the Foundation holds and invests for other not-for-profit organizations are treated as a liability since the funds are held by the Foundation for investing on the Organization's behalf. The income, expenses, realized and unrealized gains and losses are not included in the statement of activities as they are reported in the individual organization's financial statements. The Foundation received agency fund contributions of \$196,782 and \$249,059 and distributed \$1,593,336 and \$542,035 during the years ended June 30, 2013 and 2012, respectively.

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

9. CONTRIBUTIONS:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

10. DONATED SPACE:

The Foundation has secured free office space through April 2013. The market value of this space at June 30, 2013 and 2012 was \$3,000 and \$3,600, respectively.

11. INVESTMENT INCOME:

Investment income of \$846,847 and \$510,801, in the accompanying statement of activities, is net of expenses relating to investment income, including custodial fees and investment advisory fees in the amount of \$60,833 and \$42,179 for the years ended June 30, 2013 and 2012, respectively.

12. ADMINISTRATIVE FEE REVENUE:

The Foundation charges administrative fees to the individual funds in order to cover the administrative tasks of managing the collection and distribution of the funds. These accounts are charged an annual fee not to exceed 1% of the fund's market value to cover the administrative tasks of managing these funds.

13. PAYROLL AND PAYROLL BENEFITS:

The Community Foundation of North Central Massachusetts, Inc. has a management contract with the United Way of North Central Massachusetts to provide administrative services. The contract between the two Organizations includes a Simplified Employee Pension Plan. Under the plan, the Organization contributes 8% of each eligible employee's salary. Expenses related to the plan were \$10,867 and \$12,329 for the years ended June 30, 2013 and 2012 respectively.

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

14. NET ASSETS:

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Temporarily restricted net assets are available for the following purposes:

Funds available for donor recommendations	\$ 4,397,899
Scholarships	3,514,091
Endowment, other	2,585,342
Youth	704,645
Environment	463,559
Health	411,773
Capital campaign	485,945
Education	63,861
Literacy	25,051
Memorial funds	14,881
Hospice	848
	<hr/>
Total temporarily restricted net assets	\$ 12,667,895

Permanently restricted net assets consisted of the following:

Endowment, other	\$ 8,393,932
Youth organizations	2,613,276
Health	1,937,161
Environment	1,037,752
Scholarships	844,353
Funds available for donor restrictions	249,142
Education	182,981
Literacy	45,160
Memorial funds	10,000
Hospice	5,000
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Total permanently restricted net assets	\$ 15,318,757

**COMMUNITY FOUNDATION OF NORTH
CENTRAL MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

15. RELATED PARTY TRANSACTIONS:

The Community Foundation of North Central Massachusetts, Inc. and the United Way of North Central Massachusetts share office space, office staff and both Organizations are managed by the same president. The payroll and related payroll benefits for the Community Foundation of North Central Massachusetts, Inc. are reported and paid by the United Way of North Central Massachusetts, Inc. The foundation reimburses the United Way for these costs on a monthly basis. The amounts billed for the shared payroll and related costs were \$189,009 and \$202,720 for the years ended June 30, 2013 and 2012, respectively. The amount due to the United Way of North Central Massachusetts at June 30, 2013 and 2012 for payroll and related costs was \$17,841 and \$18,027, respectively.

The Community Foundation of North Central Massachusetts Supporting Foundation is a related party nonprofit organization that shares officers with the Community Foundation of North Central Massachusetts, Inc. The supporting foundation's primary purpose is to promote charitable giving through the acceptance of real estate and other hard to value assets for the benefit and support of the Community Foundation of North Central Massachusetts, Inc.

16. PRIOR PERIOD ADJUSTMENT:

Four funds held by the Foundation were misclassified as agency funds prior to the year ended June 30, 2013. As a result, the financial statements for the prior year ended June 30, 2012 were adjusted resulting in a decrease in net assets of \$44,659. In addition, the net assets as of June 30, 2011 were increased by \$498,046.