

BREWSTER EDUCATION  
FOUNDATION, INC.

Financial Statements

For the Years Ended  
June 30, 2006 & 2005



**Principals**  
Michael E. Isaac, CPA  
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To the Board of Trustees  
Brewster Education Foundation, Inc.  
Brewster, New York

We have compiled the accompanying statement of financial position of Brewster Education Foundation, Inc. (a not-for-profit organization) as of June 30, 2006 and 2005, and the related statements of activities, functional expenses, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

We are not independent with respect to Brewster Education Foundation, Inc.

*CPA Services, P.C.*

November 1, 2006

BREWSTER EDUCATION FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
June 30,

	<u>2006</u>	<u>2005</u>
Assets:		
Cash and cash equivalents	\$53,248	\$353,138
Other receivables	5,394	7,875
Deferred expenses	-	57
Total Current Assets	<u>58,642</u>	<u>361,070</u>
Investments at fair market value	<u>426,645</u>	<u>99,827</u>
TOTAL ASSETS	<u>\$485,287</u>	<u>\$460,897</u>
Liabilities and Net Assets:		
Accounts payable	\$ 3,743	\$ 2,740
Total Current Liabilities	3,743	2,740
Net Assets:		
Unrestricted	59,623	41,113
Temporary restricted	2,220	5,120
Permanently restricted	<u>419,701</u>	<u>411,924</u>
Total Net Assets	<u>481,544</u>	<u>458,157</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$485,287</u>	<u>\$460,897</u>

See accountants' report and accompanying notes.

BREWSTER EDUCATION FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
For the Years Ended June 30,

	<u>Unrestricted</u>	--- Restricted ---		----Total----	
		<u>Temporary</u>	<u>Permanently</u>	<u>2006</u>	<u>2005</u>
Revenues & other support:					
Fund Raising:					
Corvette raffle	\$13,201			\$13,201	\$23,558
Dinner theater	10,023			10,023	8,391
Performance series	6,454			6,454	11,395
Journal	4,675			4,675	8,229
Golf outing	9,502			9,502	3,077
Brick sales	154			154	1,645
Patron	-			-	75
Total Fund Raising	<u>44,009</u>			<u>44,009</u>	<u>56,370</u>
Contributions	2,840	\$13,250	\$7,777	23,867	147,361
Interest income	731			731	1,285
Dividends	12,022			12,022	3,804
Capital gain distributions	3,486			3,486	823
Gain on sale of securities	575			575	1,106
Unrealized gains/(losses)	16,445			16,445	9,083
Net assets released from restricted funds	<u>16,150</u>	<u>(16,150)</u>	-	-	-
Total Revenue & Other Support	96,258	(2,900)	7,777	101,135	219,832
Expense:					
Program related expenses	70,462			70,462	65,686
Management and general	4,507			4,507	2,492
Fund raising	<u>2,779</u>			<u>2,779</u>	<u>4,118</u>
Total Expenses	<u>77,748</u>	-	-	<u>77,748</u>	<u>72,296</u>
Change in Net Assets	18,510	(2,900)	7,777	23,387	147,536
Net assets at July 1,	<u>41,113</u>	<u>5,120</u>	<u>411,924</u>	<u>458,157</u>	<u>310,621</u>
Net assets at June 30,	<u>\$59,623</u>	<u>\$2,220</u>	<u>\$419,701</u>	<u>\$481,544</u>	<u>\$458,157</u>

See accountants' report and accompanying notes.

BREWSTER EDUCATION FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
For the Years Ended June 30,

	<u>Program</u> <u>Services</u>	<u>Mgt. &amp;</u> <u>General</u>	<u>Fund</u> <u>Raising</u>	---- Total ---- <u>2006</u>	<u>2005</u>
Scholarships	\$51,625			\$51,625	\$39,756
Grants	18,837			18,837	25,930
Investment fees		\$3,377		3,377	-
Marketing			\$1,237	1,237	1,953
Credit card fees			883	883	809
Office support			510	510	1,114
Insurance		435		435	875
Supplies		259		259	1,470
Postage		47	149	196	279
Printing & copying		171		171	-
Other		218		218	110
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$70,462</u>	<u>\$4,507</u>	<u>\$2,779</u>	<u>\$77,748</u>	<u>\$72,296</u>

See accountants' report and accompanying notes.

BREWSTER EDUCATION FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
For the Years Ended June 30,

	<u>2006</u>	<u>2005</u>
<u>Cash Flows From Operating Activities</u>		
Cash flow from increase in net assets	\$23,387	\$147,536
Adjustments:		
Fair market value adjustment to investments; losses/(gains)	(16,445)	(9,083)
Subtotal	<u>6,942</u>	<u>138,453</u>
Cash flow from changes in working capital:		
(Increase)/decrease in other receivables	2,481	(6,683)
(Increase)/decrease in deferred expenses	57	171
Increase/(decrease) in accounts payable	<u>1,003</u>	<u>(11,953)</u>
Net Change in Working Capital Items	<u>3,541</u>	<u>(18,465)</u>
Net Cash Provided By Operating Activities	10,483	119,988
<u>Cash Flows From Investment Activities</u>		
Purchase of investments	(334,610)	(104,405)
Sale of investments	<u>24,237</u>	<u>172,449</u>
Net Change in Investment Activities	<u>(310,373)</u>	<u>68,044</u>
Net Change in Cash	(299,890)	188,032
Cash and cash equivalents, July 1,	<u>353,138</u>	<u>165,106</u>
Cash and cash equivalents, June 30,	<u>\$53,248</u>	<u>\$353,138</u>

See accountants' report and accompanying notes.

BREWSTER EDUCATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006

**Note A - Organization**

The Brewster Education Foundation was founded in July, 1984 in order to raise funds to foster, encourage, and promote public educational programs. The goal of the Foundation is to promote excellence in education by recognizing students for scholastic achievement, encouraging teachers to take innovative approaches to public education and to foster community service. The Foundation achieves this goal by working with business leaders, service organizations, educators and residents of the community. The Foundation is recognized by the Internal Revenue Service as a tax exempt 501(c)(3) organization.

Summary of Significant Accounting Policies:

The following is a summary of significant accounting policies applied by the Foundation in the preparation of its financial statements, which conform with generally accepted accounting principles:

Method of Accounting:

The Foundation follows the accrual basis of accounting, recognizing revenues when earned and expenses when incurred without regard to the timing of related cash receipts and expenditures.

Financial Statement Presentation:

The Foundation adopted Statement of Financial Accounting Standards (SFAS) No.117, 'Financial Statements of Not-for-profit Organizations'. Under SFAS No.117, the Foundation 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, as applicable.

Cash and Cash Equivalents:

Cash equivalents are those liquid or near liquid investments, which will become due in three months or less.

Income Taxes:

The Foundation is tax exempt under Section 501(c)(3) of the Internal Revenue Code and would not be liable for any federal or state income tax.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

See accountants' report.

**Note B - Cash and Investments**

The Foundation's cash and investments are managed by the Board of Trustees. The investments consist primarily of a portfolio of mutual funds. The following summarizes the breakdown of cash and investments.

	---- 2006 ----		---- 2005 ----	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and equivalents	\$ <u>53,248</u>	\$ <u>53,248</u>	\$ <u>353,138</u>	\$ <u>353,138</u>
Mutual funds	\$ <u>410,376</u>	\$ <u>426,645</u>	\$ <u>100,003</u>	\$ <u>99,827</u>
Total Investments	\$ <u>410,376</u>	\$ <u>426,645</u>	\$ <u>100,003</u>	\$ <u>99,827</u>

Investments are recorded at cost when purchased and adjusted to fair market at each year end date. The Statement of Activities reflects any adjustment to the investment's fair market value from the previous balance sheet date.

**Note C - Deferred Revenue & Expenses**

The Foundation conducts various fund raising events in which it receives revenues and incurs expenses in advance of the fund raising event. The following represents advances revenues net of expenses at June 30<sup>th</sup>.

Deferred Revenue/(Expenses)

	<u>2006</u>	<u>2005</u>
Corvette raffle	\$ -	\$ (57)
Total Deferred revenue & Expenses	\$ -	\$ (57)

**Note D - Permanently Restricted Assets**

Since its inception, the Foundation has received endowment donations to establish various scholarships. The Foundation has invested these funds and the income from these investments, supplemented by the Foundations own funds, are used to pay for these scholarships. The following represents the endowments received to date:

	<u>2006</u>	<u>2005</u>
June Weiglet Memorial Scholarship	\$120,000	\$120,000
Danielle Coco Memorial Scholarship	65,645	65,645
Fire Chiefs Dan & Jim O'Connell Memorial Scholarship	41,000	41,000
Lauren Read Memorial Scholarship	32,795	32,795
Gisele Corde Memorial Scholarship	27,053	26,478
Jaclyn Viglio Memorial Scholarship	15,350	14,902
Valarie Ruhr Memorial Scholarship	14,453	14,453

See accountants' report.

Christopher Blackwell Mem. Scholarship	13,025	13,025
Frank Colombo Memorial Scholarship	12,000	12,000
George Zupko Scholarship	11,200	11,200
Brewster Teacher Association Scholarship	10,000	10,000
Philip Podkaminer Memorial Scholarship	10,000	10,000
Allen & Helen Michell Scholarship	10,000	10,000
Vincent Cafiero Memorial Scholarship	7,004	250
Helen Damsey Music Scholarship	5,625	5,625
Vincent Talarico Memorial Scholarship	5,246	5,246
Dr. Lawrence Greenfield Mem. Scholarship	5,000	5,000
Memory of Gladys & Theodore Schaeffer	5,000	5,000
Dorothy Killakey Scholarship	5,000	5,000
Brewster Tire Scholarship	2,500	2,500
Alumni Scholarship	<u>1,805</u>	<u>1,805</u>
Total Endowments Received	<u>\$419,701</u>	<u>\$411,924</u>

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