

Form PC



Massachusetts Office of the Attorney General Division of Public Charities Form PC

To be filed annually by all non-profit charitable organizations conducting business in the Commonwealth

Please TYPE or CLEARLY PRINT all entries in black ink

ORGANIZATION DATA	MAILING ADDRESS (if different)
Name: FEOFFEES OF THE GRAMMAR SCHOOL	Name:
Name (cont.): IN THE TOWN OF IPSWICH	Name (cont.):
Address: P.O. BOX 709	Address:
Addr (cont.): 2 DEPOT SQUARE	Addr (cont.):
City: IPSWICH State: MA	City: State:
Zip Code: 01938	Zip Code:
Phone: (978) 356-1040	Phone: ()
Fax: (978) 356-1042	Fax: ()
E-Mail:	E-Mail:
Web Site (URL):	

COPY

Attorney General's account number:	Please enter dates below (example: 12/23/1982)
Federal ID number: 04-6001191	Date of organization: 11 / 14 / 1650
IRS exemption under 501(c) ()	Date of incorporation: N/A / /
Check box if no IRS exemption -----> <input checked="" type="checkbox"/>	Fiscal year-end date: 06 / 30 / 2002

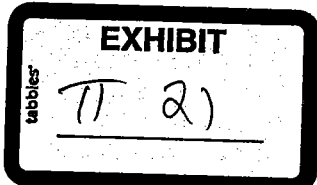
In the section below, please enter the appropriate codes from the corresponding tables found on the instruction sheets:

CATEGORY	CODE	Enter up to 4 codes from Table 3 for your organization's main purpose(s)	CODE
County (Table 1) ----->	5	Organization purpose code 1 ----->	8
Type of organization (Table 2) ----->	2	Organization purpose code 2 ----->	
		Organization purpose code 3 ----->	
		Organization purpose code 4 ----->	

Please place an "X" in the box to the right if this is a final report:

DO NOT WRITE IN THIS BLOCK

Payment received:



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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. Summary of Financial Data		
A.	Contributions, gifts, grants, and similar amounts received	\$ 0
B.	Gross support & revenue	\$ 707,248
C.	Program services & grants or similar amounts paid out	\$ 282,970
D.	Fundraising expense	\$ 0
E.	Management and general expenses (*990 filers only)	\$ 436,438
F.	Payments to affiliates (*990 filers only)	\$ 0
G.	Total expenses	\$ 719,408
H.	Net assets or fund balances at end of year	\$ 15,707,351

2. On what date was the organization created?	Where was the organization created?
(ex: 11/17/1981) 11/14/1650	IPSWICH, MASSACHUSETTS

3. In the box to the right, please enter the code corresponding to the form of your organization			
1	Corporation	4	Testamentary Trust
2	Unincorporated Association	5	Inter Vivos Trust
3	Other (please describe): VOTE OF TOWN MEETING ON 11/14/1650		

4. If the organization has ever been judicially or administratively enjoined or prohibited from operating or from soliciting contributions, please place an "X" in the box to the right:
--

If you marked the box to the right of Question 4 above, please attach a detailed explanation.

5. 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			
2			
3			
4			
5			

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6. List the total compensation you provided to your chief executive (e.g., executive director) plus the four other current or former directors, trustees, officers, or employees to whom you provided the highest total compensation.

	NAME	TITLE	HOURS PER WEEK	SALARY & OTHER INCOME	BENEFIT PLANS	OTHER COMPENSATION
1	DONALD F. WHISTON	MANAGER	VARIES	\$9,600	-	-
2						
3						
4						
5						

7. If any compensation was provided to any of the listed individuals which was not quantified above, please place an "X" in the box to the right:

--

If you marked the box to the right of Question 7 above, please attach an explanation.

Note: EXECUTIVE COMPENSATION PAID WITHIN A SYSTEM OF RELATED ORGANIZATION WILL BE REPORTED AT QUESTION 10 AND IN SCHEDULE RO.

8. 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) If you made 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, please place an "X" in the box to the right:

(b) If you have an agreement with any individual described in Related Party definition, section (a) or (b), containing such an arrangement, please place an "X" in the box to the right:

If you marked the box to the right of Question 8(a) or 8(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 any agreement.

9. This question applies to related party transactions, which include transactions with officers, directors, trustees, certain employees, relatives, 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 9 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.

(question 9, cont'd) 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

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<i>(Question 9, cont'd) During the year, has your organization:</i>	YES	NO
(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

10. If your organization was related to any other organization(s) during the reporting year (see definition of "Related Organization"), please place an "X" in the box to the right:

If you marked the box to the right of Question 10 above, please complete Attorney General Schedule RO on pages 10 and 11 of this form.

11. If any restrictions have been removed during the year from donor-restricted funds, please place an "X" in the box to the right:

If you marked the box to the right of Question 11 above, please attach an explanation of the procedures followed.

12. If donor-restricted funds have been loaned to unrestricted funds, please place an "X" in the box to the right:

If you marked the box to the right of Question 12 above, please attach an explanation.

13. During the fiscal year reported here, if your organization solicited contributions or had funds solicited on its behalf, please place an "X" in the box to the right:

14. At any time during the fiscal year following the year reported here, if your organization, or others acting on its behalf, will have solicited contributions, please place an "X" in the box to the right:

If You Marked The Boxes in Response to Question 13 or Question 14, You Must Complete Schedules A-1 And/or A-2 Unless You Are Exempt from the Solicitation Certificate Requirement.

(question 14, cont'd) If you are claiming an exemption from the solicitation certificate requirement, please indicate by placing the corresponding code in the box to the right to identify which exemption applies to your organization:

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1	a religious organization
2	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.

2

15. Please indicate which form (whether or not filed with the IRS) is attached by placing an "X" in the appropriate box.

IRS Form 990	X
IRS Form 990 EZ	
IRS Form 990 PF	

IRS Form 1120	
IRS Form 1041	
A.G. Schedule B	
Probate Account	

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.

COPY

Signature of president or other authorized officer or trustee

Title

Date

DAN CLASBY & COMPANY

04-3395132

Name of preparer

100 CUMMINGS CTR, SUITE 238C

Address

BEVERLY, MA 01915

Phone number (978) 922-9900

SCHEDULE 9(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.

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.

Department of the Treasury Internal Revenue Service

Open to Public Inspection

A For the 2001 calendar year, or tax year period beginning JUL 1, 2001 and ending JUN 30, 2002

B Check if applicable: C Name of organization FEOFFES OF THE GRAMMER SCHOOL IN THE TOWN OF IPSWICH D Employer identification number 04-6001191 E Telephone number 978-356-1040 F Accounting method X Cash Accrual

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? No H(b) If "Yes," enter number of affiliates H(c) Are all affiliates included? N/A H(d) Is this a separate return filed by an organization covered by a group ruling? No

G Web site: J Organization type 501(c) () 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 707,248.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6 Gross rents; 7 Other investment income; 8 Gross amount from sale of assets other; 9 Special events and activities; 10 Gross sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

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

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

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
22 Grants and allocations (attach schedule) cash \$282,970 • noncash \$	22 282,970.	282,970.	STATEMENT 2	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 9,600.	0.	9,600.	0.
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			
32 Legal fees	32 8,812.		8,812.	
33 Supplies	33 822.		822.	
34 Telephone	34 316.		316.	
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	40 160.		160.	
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule) ...	42			
43 Other expenses not covered above (itemize):				
a REAL ESTATE TAXES	43a 334,043.		334,043.	
b INSURANCE	43b 5,095.		5,095.	
c POLICE DETAIL	43c 6,104.		6,104.	
d CONSULTANTS	43d 3,962.		3,962.	
e REPAIRS & UPKEEP	43e 67,524.		67,524.	
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 719,408.	282,970.	436,438.	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

What is the organization's primary exempt purpose?

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) and (4) orgs. and 4947(a)(1) trusts; but optional for others.)

a GIFT TO SCHOOL AND TRANSFER TO TOWN OF IPSWICH SCHOOL ACCOUNT	(Grants and allocations \$ 282,970.)	282,970.
b	(Grants and allocations \$)	
c	(Grants and allocations \$)	
d	(Grants and allocations \$)	
e Other program services (attach schedule)	(Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		282,970.

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Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year	
Assets	45 Cash - non-interest-bearing	9,989.	17,425.	
	46 Savings and temporary cash investments			
	47 a Accounts receivable	47a	47c	
	b Less: allowance for doubtful accounts	47b	47c	
	48 a Pledges receivable	48a	48c	
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a	51c	
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments - land, buildings, and equipment: basis	55a	55c	
	b Less: accumulated depreciation	55b	55c	
	56 Investments - other	SEE STATEMENT 3	289,622.	270,026.
	57 a Land, buildings, and equipment: basis	57a 15,419,900.	15,419,900.	15,419,900.
	b Less: accumulated depreciation	57b	57c	
	58 Other assets (describe		58	
59 Total assets (add lines 45 through 58) (must equal line 73)	15,719,511.	59	15,707,351.	
Liabilities	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe		65	
66 Total liabilities (add lines 60 through 65)		0.	0.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	15,719,511.	67	15,707,351.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	15,719,511.	73	15,707,351.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	15,719,511.	74	15,707,351.

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.

FEOFFEES OF THE GRAMMER SCHOOL
IN THE TOWN OF IPSWICH

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Part VII Other Information		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
77	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
78 a	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? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	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.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions 81a 0.		
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	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 N/A		
83 a	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	X
84 a	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? N/A	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
c	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members 85c N/A		
d	Section 162(e) lobbying and political expenditures 85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f? N/A	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A		
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
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A; section 4912 N/A; section 4955 N/A		
b	501(c)(3) and 501(c)(4) organizations. 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 N/A	89b	
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 N/A		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization N/A		
90 a	List the states with which a copy of this return is filed MASSACHUSETTS		
b	Number of employees employed in the pay period that includes March 12, 2001 90b 0		
91	The books are in care of DONALD F. WHISTON Telephone no.		
	Located at 31 MARKET STREET, IPSWICH, MA 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 N/A		

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

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Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a _____					
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					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					695,799.
98 Net rental income or (loss) from personal property					
99 Other investment income					11,449.
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.		0.	707,248.
105 Total (add line 104, columns (B), (D), and (E))					707,248.

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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 Specific Instructions on page 32.)

Line 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).
▼	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33.)

(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 Specific Instructions on page 33.)

- (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).

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.

Please Sign Here

Signature of officer _____ Date _____ Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature _____ Date 10/15/02 Check if self-employed Preparer's SSN or PTIN _____

Firm's name (or yours if self-employed), address, and ZIP + 4 DAN CLASBY & COMPANY
100 CUMMINGS CENTER, SUITE 238C
BEVERLY MA 01915

EIN ▶ 04-3395132
Phone no. ▶ 978-922-9900

FORM 990 RENTAL INCOME STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
LAND LITTLE NECK PLUS ASSESSMENTS	1	695,799.
TOTAL TO FORM 990, PART I, LINE 6A		695,799.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 2

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
EDUCATIONAL	TOWN OF IPSWICH		NONE	282,970.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				282,970.

FORM 990 OTHER INVESTMENTS STATEMENT 3

DESCRIPTION	VALUATION METHOD	AMOUNT
RESERVE FOR CAPITAL IMPROVMENTS	COST	253,210.
RESERVE FOR EROSION ACCOUNT	COST	9,748.
RESERVE FOR TITLE 5	COST	7,068.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		270,026.

COPY

FEOFFEES OF THE GRAMMAR SCHOOL

Financial Statements

June 30, 2002

FEOFFEES OF THE GRAMMAR SCHOOL

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DAN CLASBY & COMPANY
Certified Public Accountants

-1-

INDEPENDENT AUDITORS' REPORT

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

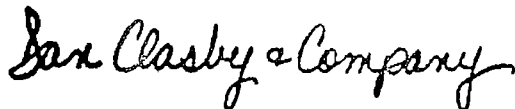
We have audited the statements of assets, liabilities, and net assets - cash basis of **Feoffees of the Grammar School** (a non-profit organization) as of June 30, 2002, and the related statement of activities - cash basis for the year then ended. These financial statements are the responsibility of 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, 2002, and its activities for the year then ended, on the basis of accounting described in Note 1.



September 24, 2002

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FEOFFEES OF THE GRAMMAR SCHOOLStatement of Assets, Liabilities, and Net Assets -
Cash Basis

As of June 30, 2002

Assets

Cash - operating	\$ 17,425
Cash – savings	270,026
Land and buildings at assessed value	<u>15,419,900</u>
Total Assets	\$ <u>15,707,351</u>

Liabilities and Net Assets

Liabilities	\$ _____ -
Total liabilities	_____ -
Net assets:	
Unrestricted	<u>15,707,351</u>
Total Liabilities and Net Assets	\$ <u>15,707,351</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, 2002

Support and Revenue:	
Buildings, home and land collections	\$ 334,043
Rents	361,756
Interest	<u>11,449</u>
Total support and revenue	<u>707,248</u>
Expenses:	
Real estate taxes	334,043
Gift to town	282,970
Water and road repairs	52,384
Salaries	9,600
Legal	8,811
Maintenance	7,266
Landscaping	6,475
Police	6,104
Insurance	5,095
Consulting and engineering fees	3,962
Docks and floats	1,400
Office expense	822
Telephone	316
Meetings	<u>160</u>
Total expenses	<u>719,408</u>
Change in net assets	(12,160)
Net assets, beginning of year	<u>15,719,511</u>
Net assets, end of year	\$ <u>15,707,351</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.

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.