

**Ste Jeanne d'Arc School of Lowell,
Massachusetts, Inc.
Financial Statements
June 30, 2011 and 2010**

Ste Jeanne d'Arc School of Lowell, Massachusetts, Inc.
Notes to Financial Statements
June 30, 2011 and 2010

Table of Contents

Independent Auditors' Report	1
Consolidating Statements of Financial Position	2-3
Consolidating Statements of Activities	4-5
Consolidating Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Financial Statements	9-17

To the Ste Jeanne d'Arc School of Lowell, Massachusetts, Inc. Board of Trustees
Lowell, Massachusetts

Independent Auditors' Report

We have audited the accompanying consolidating statements of financial position of Ste Jeanne d'Arc School of Lowell, Massachusetts, Inc. (the School) as of June 30, 2011 and 2010, and the related consolidating statements of activities and functional expenses, and consolidated statements of cash flows for the years then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

The School has omitted certain information required by accounting principles generally accepted in the United States of America regarding the operation and status of its defined benefit pension plan.

In our opinion, except for the information relating to the pension plan, the financial statements referred to above present fairly, in all material respects, the financial position of the School at June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Anstiss & Co., P.C.
September 8, 2011

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
 Consolidating Statement of Financial Position
 As of June 30, 2011

	SJD School	Advancement Program	Extended Day Program	Eliminating Entries	Total
Assets:					
Cash and Cash Equivalents	\$ 682,656	\$ 478,560	\$ 136,796	\$ -	\$ 1,298,012
Investments (Note 7)	-	88,849	-	-	88,849
Accounts Receivable	34,652	2,750	1,682	-	39,084
Other Current Assets	-	1,891	-	-	1,891
Fixed Assets - Net (Note 3)	401,553	-	-	-	401,553
Total Assets	\$ 1,118,861	\$ 572,050	\$ 138,478	\$ -	\$ 1,829,389
Liabilities and Net Assets:					
Liabilities:					
Accounts Payable	\$ 4,906	\$ 400	\$ -	\$ -	\$ 5,306
Accrued Salaries and Expenses	138,888	3,750	-	-	142,638
Deferred Revenues (Note 2)	322,543	-	4,600	-	327,143
Total Liabilities	466,337	4,150	4,600	-	475,087
Net Assets - Unrestricted	652,524	567,900	133,878	-	1,354,302
Total Liabilities and Net Assets	\$ 1,118,861	\$ 572,050	\$ 138,478	\$ -	\$ 1,829,389

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

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Consolidating Statement of Financial Position
As of June 30, 2010

	SJD School	Advancement Program	Extended Day Program	Eliminating Entries	Total
Assets:					
Cash and Cash Equivalents	\$ 636,922	\$ 494,792	\$ 137,891	\$ -	\$ 1,269,605
Investments (Note 7)	-	78,498	-	-	78,498
Accounts Receivable	54,899	3,750	976	-	59,625
Other Current Assets	-	1,341	-	-	1,341
Fixed Assets - Net (Note 3)	387,336	-	-	-	387,336
Total Assets	\$ 1,079,157	\$ 578,381	\$ 138,867	\$ -	\$ 1,796,405
Liabilities and Net Assets:					
Liabilities:					
Accounts Payable	\$ 3,091	\$ 6,419	\$ 28	\$ -	\$ 9,538
Accrued Salaries and Expenses	142,261	4,100	323	-	146,684
Deferred Revenues (Note 2)	324,009	-	5,975	-	329,984
Total Liabilities	469,361	10,519	6,326	-	486,206
Net Assets - Unrestricted	609,797	567,862	132,540	-	1,310,199
Total Liabilities and Net Assets	\$ 1,079,158	\$ 578,381	\$ 138,866	\$ -	\$ 1,796,405

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

**Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Consolidating Statement of Activities
For the Year Ended June 30, 2011**

	SJD School	Advancement Program	Extended Day Program	Eliminating Entries	Total
Revenues, Gains and Other Support:					
Tuition and Fees - Net of Refunds	\$ 1,734,339	\$ -	\$ -	\$ (41,880)	\$ 1,692,459
Other Program Revenue	223,776	-	127,601	(45,000)	306,377
Special Event Revenue	-	174,329	-	-	174,329
Contributions:					
Contributed Facilities	310,000	-	-	-	310,000
Contributed Goods and Services	50,231	-	-	-	50,231
Other Cash Contributions	152,950	165,128	-	(152,950)	165,128
Investment Income (loss)	4,483	16,361	1,075	-	21,919
Total Revenues, Gains & Other Support	2,475,779	355,818	128,676	(239,830)	2,720,443
Expenses:					
Instructional and Student Activities	1,443,354	-	127,338	(35,000)	1,535,692
Supporting Facilities	508,846	-	-	-	508,846
Fundraising	-	355,780	-	(204,830)	150,950
General and Administration	480,852	-	-	-	480,852
Total Expenses	2,433,052	355,780	127,338	(239,830)	2,676,340
Change in Net Assets - Unrestricted	42,727	38	1,338	-	44,103
Net Assets - Unrestricted at Beginning of Year	609,797	567,862	132,540	-	1,310,199
Net Assets - Unrestricted at End of Year	\$ 652,524	\$ 567,900	\$ 133,878	\$ -	\$ 1,354,302

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

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
 Consolidating Statement of Activities
 For the Year Ended June 30, 2010

	SJD School	Advancement Program	Extended Day Program	Eliminating Entries	Total
Revenues, Gains and Other Support:					
Tuition and Fees - Net of Refunds	\$ 1,729,355	\$ -	\$ -	\$ (47,831)	\$ 1,681,524
Other Program Revenue	211,424	-	134,252	(30,500)	315,176
Special Event Revenue	-	194,969	-	-	194,969
Contributions:					
Contributed Facilities	310,000	-	-	-	310,000
Contributed Goods and Services	34,625	-	-	-	34,625
Other Cash Contributions	132,703	285,131	-	(132,703)	285,131
Investment Income	5,941	15,178	833	-	21,952
Total Revenues, Gains & Other Support	2,424,048	495,278	135,085	(211,034)	2,843,377
Expenses:					
Instructional and Student Activities	1,340,932	-	126,765	(30,500)	1,437,197
Supporting Facilities	478,109	-	-	-	478,109
Fundraising	-	375,698	-	(180,534)	195,164
General and Administration	464,294	-	-	-	464,294
Total Expenses	2,283,335	375,698	126,765	(211,034)	2,574,764
Change in Net Assets - Unrestricted	140,713	119,580	8,320	-	268,613
Net Assets - Unrestricted at Beginning of Year	469,084	448,282	124,220	-	1,041,586
Net Assets - Unrestricted at End of Year	\$ 609,797	\$ 567,862	\$ 132,540	\$ -	\$ 1,310,199

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

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2011

	Ste Jeanne d'Arc School			Extended Day Program		Advancement Program		Consolidated
	Instruction & Student Activities	Supporting Facilities	General & Administration	Instruction & Student Activities	Fundraising	Eliminating Entries	Total	
Compensation:								
Lay Teachers/ Employees	\$ 869,075	\$ -	\$ 271,439	\$ 1,140,514	\$ -	\$ -	\$ -	\$ 1,207,249
Religious Teachers (Note 5)	65,720	-	61,283	127,003	-	-	-	127,003
Benefits:								
Lay Teachers/ Employees	130,311	-	40,681	170,992	9,059	-	-	180,051
Religious Teachers	17,167	-	10,804	27,971	-	-	-	27,971
Pension Expenses	55,264	-	17,136	72,400	655	-	-	73,055
Professional Services	-	-	15,035	15,035	-	-	-	15,035
Temporary Personnel	6,145	16,870	7,054	30,069	-	-	-	30,069
General Office Supplies	15,069	-	10,436	25,505	6,336	-	5,929	37,770
Telephone	-	-	911	911	321	-	313	1,545
Repairs and Maintenance	12,845	-	2,254	15,099	5,747	-	1,414	22,260
Audio Visual	-	-	452	452	-	-	-	452
Printing	-	-	2,434	2,434	599	-	-	3,033
Teaching Supplies and Text Books	71,081	-	337	71,418	-	-	-	71,418
Student Activities	-	-	-	-	-	-	-	-
Other Office Expenses	31,676	-	8,791	40,467	633	-	1,500	42,600
Food Costs	10,255	-	-	10,255	-	-	-	10,255
Facility - Utilities, Repairs, Other	-	117,807	1,824	119,631	-	-	-	119,631
Facility - Rent (Note 5)	-	310,000	-	310,000	-	-	-	310,000
Vehicle Expense	-	-	2,508	2,508	-	-	-	2,508
Athletic Program	45,971	-	-	45,971	-	-	-	45,971
Professional Development	2,007	-	5,189	7,196	-	-	461	7,657
ADM Charitable	-	-	22,284	22,284	-	-	-	22,284
Fundraising Events	-	-	-	-	-	-	46,552	46,552
Other Fundraising Expenses	-	-	-	-	-	-	104,457	104,457
Transfers to School	-	-	-	-	35,000	-	(229,954)	-
Depreciation	-	56,691	-	56,691	-	-	-	56,691
Other Operating Expenses	110,768	7,478	-	118,246	2,253	(9,876)	200	110,823
Total Functional Expenses	\$ 1,443,354	\$ 508,846	\$ 480,852	\$ 2,433,052	\$ 127,338	\$ (239,830)	\$ 355,780	\$ 2,676,340

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

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2010

	Ste Jeanne d'Arc School			Extended Day Program		Advancement Program		Consolidated	
	Instruction & Student Activities	Supporting Facilities	General & Administration	Instruction & Student Activities	Fundraising	Eliminating Entries	Total	Total	
Compensation:	\$ 827,263	\$ -	\$ 264,097	\$ 65,633	\$ -	\$ -	\$ 1,091,360	\$ 1,156,993	
Lay Teachers/ Employees	52,152	-	56,649	-	-	-	108,801	108,801	
Religious Teachers (Note 5)									
Benefits:									
Lay Teachers/ Employees	114,918	-	38,747	8,942	-	-	153,665	162,607	
Religious Teachers	16,068	-	10,213	-	-	-	26,281	26,281	
Pension Expenses	51,878	-	15,790	628	-	-	67,668	68,296	
Professional Services	-	-	12,867	-	-	-	12,867	12,867	
Temporary Personnel	13,813	15,099	7,272	-	-	-	36,184	36,184	
General Office Supplies	11,115	-	9,633	8,236	9,653	-	20,748	38,637	
Telephone	-	-	3,215	651	949	-	3,215	4,815	
Repairs and Maintenance	13,996	-	2,315	9,435	765	-	16,311	26,511	
Audio Visual	-	-	452	-	-	-	452	452	
Printing	-	-	4,063	585	-	-	4,063	4,648	
Teaching Supplies and Text Books	95,913	-	519	-	-	-	96,432	96,432	
Other Office Expenses	28,045	-	5,702	440	1,021	-	33,747	35,208	
Food Costs	10,185	-	-	-	-	-	10,185	10,185	
Facility - Utilities, Repairs, Other	-	103,991	1,006	-	-	-	104,997	104,997	
Facility - Rent (Note 5)	-	310,000	-	-	-	-	310,000	310,000	
Vehicle Expense	-	-	2,684	-	-	-	2,684	2,684	
Athletic Program	57,759	-	-	-	-	-	57,759	57,759	
Professional Development	1,080	-	6,872	-	570	-	7,952	8,522	
ADM Charitable	-	-	22,198	-	-	-	22,198	22,198	
Fundraising Events	-	-	-	-	57,309	-	-	57,309	
Other Fundraising Expenses	-	-	-	-	117,297	-	-	117,297	
Transfers to School	-	-	-	30,500	188,134	(218,634)	-	-	
Depreciation	-	44,631	-	-	-	-	44,631	44,631	
Other Operating Expenses	46,747	4,388	-	1,715	-	7,600	51,135	60,450	
Total Functional Expenses	\$ 1,340,932	\$ 478,109	\$ 464,294	\$ 126,765	\$ 375,698	\$ (211,034)	\$ 2,283,335	\$ 2,574,764	

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

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Consolidated Statement of Cash Flows
For the Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows From Operating Activities:		
Increase in Net Assets	\$ 44,103	\$ 268,613
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Investment (gains) and losses	(8,400)	(7,175)
Depreciation	56,691	44,631
Changes in operating assets and liabilities:		
(Increase) Decrease in Accounts Receivable	20,541	(6,086)
(Increase) in Other Current Assets	(554)	(341)
Increase (Decrease) in Accounts Payable	(4,232)	3,193
Increase (Decrease) in Deferred Revenues	(2,841)	2,458
Increase (Decrease) in Accrued Salaries	(4,046)	15,239
Net Cash Flows Provided by Operating Activities	101,262	320,532
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(70,907)	(139,276)
Sale of Investments - Net	(1,948)	(993)
Net Cash Flows Used by Investing Activities	(72,855)	(140,269)
Net Increase in Cash and Cash Equivalents	28,407	180,263
Cash and Cash Equivalents at Beginning of Year	1,269,605	1,089,342
Cash and Cash Equivalents at End of Year	<u>\$ 1,298,012</u>	<u>\$ 1,269,605</u>

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

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Notes to Financial Statements
June 30, 2011 and 2010

Note 1 - Reporting Entity and Nature of Activities

The accompanying financial statements present the financial position and activities of Ste Jeanne d'Arc School of Lowell, Massachusetts Inc. (the School), a Catholic grammar school. The School, which is an incorporated independent school, is operated under the sponsorship of the Roman Catholic Archbishop of Boston (the Archdiocese), a Corporation Sole and as such is responsible to the Cardinal. Prior to January 1, 2011 the School was operated as a "Parish Model" school under the sponsorship of St. Rita's Parish. St. Rita's Parish is a component of the Archdiocese. The School derives its revenue from student tuition, donations, auxiliary activities and other related operating activities. Auxiliary activities include various fundraising events. Other programs consist of revenue from athletics, bookstore and similar activities. Although the School is an independent, self-sustaining organization, it does depend on the financial support of the Archdiocese (through rent free use of facilities).

Note 2 - Significant Accounting Policies

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The School reports net assets, revenues, expenses, gains, and losses in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205 (Formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*). Under FASB ASC 958-205, financial information is classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations are classified as unrestricted.

Temporarily Restricted Net Assets

Net assets subject to donor imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time are classified as temporarily restricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Ste Jeanne d'Arc School - Lowell
Notes to Financial Statements
June 30, 2011 and 2010

Note 2 - Significant Accounting Policies (Continued)

Permanently Restricted Net Assets

Permanently restricted net assets comprise those assets contributed to the Foundation that are to remain in perpetuity as permanent assets of the Foundation. Generally, all income and unrealized and realized net gains on investments related to these net assets are classified as temporarily restricted and released to unrestricted net assets as the Foundation appropriates its annual spending based on the use of a spending policy. At June 30, 2011 and 2010, there were no restrictions on the School's net assets.

Codification

In June 2009, the Financial Accounting Standards Board ("FASB") issued the FASB Accounting Standards Codification ("Codification" or "ASC 105-10") and the Hierarchy of Generally Accepted Accounting Principles ("GAAP"). ASC 105-10 establishes the Codification as the sole source of authoritative accounting principles recognized by the FASB to be applied by all nongovernmental entities in the preparation of financial statements in conformity with GAAP. ASC 105-10 was prospectively effective for financial statements issued for fiscal years ending on or after September 15, 2009 and interim periods within those fiscal years. The adoption of ASC 105-10 on July 1, 2009 did not impact the School's results of operations or financial condition. The Codification did not change GAAP, however, it did change the way GAAP is organized and presented. As a result, these changes impact how organizations reference GAAP in their financial statements and in their significant accounting policies. The School implemented the Codification in this report by providing references to the Codification topics alongside references to the corresponding standards.

Cash Equivalents

For the purposes of the statement of cash flows, the School considers certificates of deposit with maturities of three months or less, and money market funds, to be cash equivalents.

Accounts Receivable

Accounts Receivable consist mainly of tuition fees for the various programs provided and are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require the allowance method to be used to recognize bad debts; however, the effect of utilizing the direct write-off method is not materially different from the results which would have been obtained under the allowance method.

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Notes to Financial Statements
June 30, 2011 and 2010

Note 2 - Significant Accounting Policies (Continued)

Investments

The School invests its assets in a manner intended to achieve a total rate of return sufficient to replace the assets spent for capital improvements, financial aid, expenses and to recoup any value lost due to inflation. To minimize risk, the School diversifies its investments among various financial instruments and asset categories and uses multiple investment strategies and managers. Significant investment decisions are made by the Board of Trustees, which has oversight responsibility for the Schools investment program. The Schools portfolio is managed by outside investment managers who invest according to the investment guidelines recommended by the Board of Trustees.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Fair value is based on market value in the case of marketable securities. The market value of publicly traded securities is based upon quoted prices from principal exchanges on which the securities are traded. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the current period change in net assets. Realized and unrealized investment gains and losses are determined by comparison of the difference between market values and average cost. Interest and dividend income is recognized when earned.

Non-marketable securities include alternative investments such as hedge funds and real estate investment trusts, which are valued using current estimates of fair value obtained from investment managers or general partners in the absence of readily determinable public market values. Such valuations generally reflect discounts for liquidity and consider variables such as financial performance of the investments, including comparison with comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, and other pertinent information. As of June 30, 2011 and 2010 the School has no investment in non-marketable securities.

Fair Value of Financial Instruments

The School follows FASB ASC 820-10 (formerly SFAS 175, *Fair Value Measurements*). FASB ASC 820-10 applies to reported balances that are required or permitted to be measured at fair value on a recurring basis under an existing accounting pronouncement. FASB ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy consisting of three levels of inputs that may be used to measure fair value as follows:

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Notes to Financial Statements
June 30, 2011 and 2010

Note 2 - Significant Accounting Policies (Continued)

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the School has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

In February 2007, the Financial Accounting Standards Board issued FASB ASC 825-10 (formerly SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*), which became effective during 2008. This standard permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. The Foundation has not adopted any of the additional fair value options allowed in the standard.

Income Taxes and Uncertain Tax Positions

The operations of the School are exempt from income taxes as the Archdiocese is an exempt organization under Section 501 of the Internal Revenue Code. The School is also exempt from the filing requirements of Form 990. Accordingly, no provision for income taxes has been provided for in the accompanying financial statements.

Effective with the current year the School is required by Financial Accounting Standards Board *Accounting Standards Codification 740-10 Income Taxes* (FASB ASC 740-10) to evaluate and disclose tax positions that could have an effect on the School's financial statements. Substantially all income, expenditures and activities relate to the School's exempt purpose, therefore, management has determined that the School is not subject to unrelated business income taxes and will continue to qualify as a tax-exempt not-for-profit entity.

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Notes to Financial Statements
June 30, 2011 and 2010

Note 2 - Significant Accounting Policies (Continued)

Fixed Assets

Fixed assets are stated at cost. Routine repairs and maintenance expenses are charged to operations while those that materially improve or extend the lives of existing assets are capitalized. Depreciation has been calculated and provided over the estimated useful lives of the respective assets, generally five years for equipment, seven years for furniture and fixture and twenty to twenty-five years for leasehold improvements, on a straight-line basis.

Contributions and Donor Restrictions

Contributions are reported in accordance with FASB ACS 958-605-15-2 (Formerly SFAS No. 116 "*Accounting for Contributions Received and Contributions Made*"), contributions receivable that are, in effect, "unconditional promises to give" are recorded at the present value of future cash flows. As of June 30, 2011 and 2010 there were no pledges receivables.

Contributions of cash or other assets are reported as restricted support, thereby increasing temporarily restricted net assets, if they are received with donor stipulations that limit, specify or otherwise restrict the use of such contributions. When a donor restriction expires, either by use of the funds for the specified purpose or by the expiration of a time restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The School reports all net assets of the Development Fund as unrestricted as they are principally held for purposes related to overall School operation.

Endowment funds established by donor restrictions to permanently maintain the principal, while allowing the use of income generated there from, are classified as permanently restricted net assets. Income derived from the investment of endowment funds is reported as unrestricted revenue or as restricted revenue depending on the terms of the donor instrument. As of June 30, 2011 and 2010 the School did not have any endowment funds.

Deferred Revenues

Deferred revenues consist of advance tuition.

Contributed Facilities, Services and Other Items

The School operates free of rent in facilities located in Lowell, Massachusetts, which are owned by the Archdiocese. The estimated current rental value of the facilities of \$310,000 is reported as rent expense and a corresponding amount is reported as support in the statement of activities.

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Notes to Financial Statements
June 30, 2011 and 2010

Contributed Facilities, Services and Other Items (continued)

Instructional and administrative services are provided by religious personnel and Parish staff. The excess of the estimated fair values of these services over any compensation actually paid to the personnel is reported as contributed services and corresponding amounts are reported as compensation expense.

In addition, from time to time the School receives donated items, such as computers, furniture and books, from parishioners and others. The estimated fair values of these items are reported as other contributions and corresponding amounts are reported as assets or expenses of the School, as appropriate in each case.

Reclassifications

During 2011 certain amounts from the prior year financial statements were reclassified to conform to the current year's presentation.

Estimates

The presentation 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 - Fixed Assets

Fixed Assets consist of the following at June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Furniture and equipment	\$604,175	\$553,980
Leasehold improvements	414,549	393,836
Motor vehicle	20,000	20,000
	<u>1,038,724</u>	<u>967,816</u>
Less: Accumulated depreciation	<u>(637,171)</u>	<u>(580,780)</u>
	<u>\$401,553</u>	<u>\$387,336</u>

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Notes to Financial Statements
June 30, 2011 and 2010

Note 4 - Financial Instruments and Concentrations of Credit Risk

The School's financial instruments that potentially subject it to concentrations of credit risk consist of cash, cash equivalents and accounts receivable.

The School places its cash investments and equivalents with high quality financial institutions. Investments are primarily managed by one institution. At times, the amounts on deposit at any one institution may be in excess of Federal Deposit Insurance Commission (FDIC) insured limits. The Board of Trustees routinely assesses the financial strength of the institutions in order to minimize risk. Accounts receivable are dispersed among the families of the School's students in the Lowell area.

Note 5 - Related Party Transactions

The School receives free use of its facilities from the Archdiocese. The estimated current annual rental value of the facilities approximated \$310,000 for the years ended June 30, 2011 and 2010. In addition, the School receives the services of religious personnel who perform certain faculty functions. The excess of the fair value of the services performed over the actual compensation paid approximated \$50,231 and \$34,625 for the year ended June 30, 2011 and 2010 respectively. (see "Contributed Facilities, Services and Other Items", Note 2).

The School provides workers' compensation, health insurance, group life insurance, and long-term disability insurance through the Archdiocese. Employee benefits provided by the School for the year ended June 30, 2011 and 2010 approximated \$199,494 and \$180,259 respectively.

Note 6 - Employee Pension Plan

The School participates in a multi-employer, noncontributory employee retirement income plan, the Roman Catholic Archdiocese of Boston Pension Plan. The plan provides defined benefits to participants upon retirement. The amount of the School's annual contribution is actuarially determined and is accrued and funded annually. The relative position of the School with regard to the plan's net assets and actuarial present value of accumulated plan benefits has not been distinguished from those of other groups participating in the retirement income plan. Pension expense for the year ended June 30, 2011 and 2010 approximated \$72,400 and \$67,668 respectively.

The Archdiocese also sponsors an IRS qualified tax sheltered annuity plan for all eligible employees. The School does not contribute to this plan.

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Notes to Financial Statements
June 30, 2011 and 2010

Note 7 – Investments and Fair Value of Financial Instruments

Investment decisions are made by the Advisory Council, which has oversight responsibility for the Schools investments. The School's portfolio is managed by outside investment managers who invest according to the investment guidelines established by the Board of Trustees.

The School uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures (see Note 1). The following table presents the Schools fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2011 and 2010:

Investments, recorded at fair value, consist of the following:

2011				
Investments	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual funds	\$ 88,849	\$88,849	\$ -	\$ -
Equity securities	-	-	-	-
Total	<u>\$ 88,849</u>	<u>\$ 88,849</u>	<u>\$ -</u>	<u>\$ -</u>
2010				
Investments	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual funds	\$ 78,498	\$ 78,498	\$ -	\$ -
Equity securities	-	-	-	-
Total	<u>\$ 78,498</u>	<u>\$ 78,498</u>	<u>\$ -</u>	<u>\$ -</u>

Ste Jeanne d'Arc School of Lowell, Massachusetts Inc.
Notes to Financial Statements
June 30, 2011 and 2010

Investment return on cash equivalents and investments consisted of the following for the year ended June 30, 2011 and 2010 respectively.

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$13,520	\$14,777
Realized and unrealized gains (losses)	9,656	8,296
(Less) investment fees	<u>(1,257)</u>	<u>(1,121)</u>
	<u>\$20,919</u>	<u>\$21,952</u>

Note 8 – Subsequent Events

In May 2009, the FASB issued FASB ASC 855-10 (formerly SFAS No. 165, *Subsequent Events*), which defines further disclosure requirements for events that occur after the balance sheet date, but before financial statements are issued. FASB ASC 855-10 is effective for the School beginning on July 1, 2009. In accordance with FASB ASC 855-10, management has evaluated events subsequent to June 30, 2011 through September 8, 2011, which is the issuance date of this report.