

**MARIAN HIGH SCHOOL, INC.
AND
DEVELOPMENT OF MARIAN EDUCATION, INC.**

**Combined Financial Statements and Additional Information
For The Years Ended June 30, 2011 and 2010
and
Independent Auditors' Report**

**MARIAN HIGH SCHOOL, INC.
AND
DEVELOPMENT OF MARIAN EDUCATION, INC.**

Combined Financial Statements and Additional Information

For The Years Ended June 30, 2011 and 2010

and Independent Auditors' Report

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Board of Trustees

Marian High School, Inc.

And

Development of Marian Education, Inc.

Framingham, Massachusetts

Independent Auditors' Report

We have audited the combined statements of financial position of Marian High School, Inc. and Development of Marian Education, Inc. as of June 30, 2011 and 2010, and the related combined statements of activities and cash flows for the years then ended. These combined financial statements are the responsibility of the Marian High School, Inc.'s and Development of Marian Education, Inc.'s management. Our responsibility is to express an opinion on these combined 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.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Marian High School, Inc. and Development of Marian Education, Inc. as of 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.

September 22, 2011

McCarthy, Hargrave & Co.

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Combined Statements of Financial Position

	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets:		
Cash	\$ 156,239	\$ 175,529
Fees and Tuition Receivable, Net	29,232	28,703
Prepaid Expense	1,000	-
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	186,471	204,232
Other Assets:		
Investment Cash	16,670	185,171
Marketable Securities	279,945	131,736
Property and Equipment, Net	246,413	256,446
	<hr/>	<hr/>
TOTAL ASSETS	\$ 729,499	\$ 777,585
<hr/>		
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 73,361	\$ 118,802
Accrued Payroll and Other Liabilities	225,000	207,144
Fees and Tuition Received in Advance	276,797	279,740
Capital Lease, Short-Term Portion	11,675	10,424
Line of Credit	50,000	-
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	636,833	616,110
Long-Term Obligations:		
Capital Lease – Long-Term Portion	20,185	31,860
Line of Credit	-	85,000
	<hr/>	<hr/>
TOTAL LONG-TERM OBLIGATIONS	20,185	116,860
Net Assets:		
Unrestricted (Deficit)	(224,134)	(320,792)
Temporarily Restricted	291,615	360,407
Permanently Restricted	5,000	5,000
	<hr/>	<hr/>
TOTAL NET ASSETS	72,481	44,615
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 729,499	\$ 777,585

The accompanying notes are an integral part of the combined financial statements.

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Combined Statements of Activities

For The Years Ended June 30, 2011 and 2010

	2011	2010
Changes in Unrestricted Net Assets:		
Support and Revenues:		
Tuition and Fees	\$ 2,347,570	\$ 2,070,753
Contributions	557,086	462,947
Catholic Schools Foundation	150,000	135,000
Auxiliary Services	68,227	62,603
Athletic Income	43,905	26,405
Rental Income	9,152	4,950
Miscellaneous Income	91,265	87,351
Net Assets Released From Restrictions :		
For Scholarships and Financial Aid	102,551	267,300
For Technology	12,230	7,770
Total Unrestricted Support and Revenues	3,381,986	3,125,079
Expenses:		
Educational	2,090,200	1,948,684
Institutional	628,275	670,904
Operations and Maintenance	406,680	371,045
Fundraising	110,772	110,368
Depreciation	49,401	40,834
Total Expenses	3,285,328	3,141,835
Increase (Decrease) in Unrestricted Net Assets (Deficit)	96,658	(16,756)
Changes in Temporarily Restricted Net Assets:		
Contributions	13,965	66,612
Investment Income	9,744	8,047
Realized Gains on Investments	237	46,949
Unrealized Gains on Investments	22,043	31,544
Net Assets Released From Restrictions:		
For Scholarships and Financial Aid	(102,551)	(267,300)
For Technology	(12,230)	(7,770)
Decrease in Temporarily Restricted Net Assets	(68,792)	(121,918)
Change in Net Assets	27,866	(138,674)
Net Assets, Beginning of Year	44,615	183,289
Net Assets, End of Year	\$ 72,481	\$ 44,615

The accompanying notes are an integral part of the combined financial statement.

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Combined Statements of Cash Flows

For The Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 27,866	(\$ 138,674)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	49,401	40,834
Realized Gain on Marketable Securities	(237)	(46,949)
Unrealized Gain on Marketable Securities	(22,043)	(31,544)
Increase (Decrease) in Cash Resulting from Changes in:		
Fees and Tuition Receivable	(529)	(6,239)
Prepaid Expenses	(1,000)	3,725
Accounts Payable	(45,441)	115,091
Accrued Payroll and Other Liabilities	17,856	44,687
Fees and Tuition Received in Advance	(2,943)	(54,950)
Net Cash Provided (Used) by Operating Activities	<u>22,930</u>	<u>(74,019)</u>
Cash Flows From Investing Activities:		
Decrease (Increase) in Investment Cash	168,501	(82,205)
Purchases of Marketable Securities	(154,429)	-
Proceeds from Sales of Marketable Securities	28,500	262,616
Expenditures for Property and Equipment	(39,368)	(32,201)
Net Cash Provided by Investing Activities	<u>3,204</u>	<u>148,210</u>
Cash Flows From Financing Activities:		
Line of Credit Payments	(35,000)	(15,000)
Reduction of Capitalized Lease Obligation	(10,424)	(4,786)
Net Cash Used by Financing Activities	<u>(45,424)</u>	<u>(19,786)</u>
Net (Decrease) Increase in Cash	<u>(19,290)</u>	<u>54,405</u>
Cash at Beginning of Year	<u>175,529</u>	<u>121,124</u>
Cash at End of Year	<u>\$ 156,239</u>	<u>\$ 175,529</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	<u>\$ 5,453</u>	<u>\$ 4,418</u>
Non-Cash Investing and Financing Activities:		
Capital Lease Acquisition and Obligation	<u>\$ -</u>	<u>\$ 47,070</u>

The accompanying notes are an integral part of the combined financial statements.

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Notes to Combined Financial Statements

For The Years Ended June 30, 2011 and 2010

A. Summary of Significant Accounting Policies and Other Information:

Organizations and Nature of Activities –

Marian High School, Inc. (the School) was incorporated as a nonprofit corporation in the Commonwealth of Massachusetts on February 4, 2004. The School is an independent organization providing educational instruction consistent with the education mission of the Roman Catholic Church, the Roman Catholic Archdiocese of Boston and the Roman Catholic Archbishop of Boston for students in grades nine through twelve.

Development of Marian Education, Inc. (DOME) was incorporated as a not-for-profit corporation in 1984 to advance the cause of education at Marian High School, Inc. and to establish a mutually beneficial relationship between Marian High School and its alumni.

Basis of Statements - The financial statements have been prepared on the accrual basis. Under this method of accounting, expenses are recorded as incurred and income is recorded when earned.

Unrestricted Net Assets - Included in unrestricted net assets are amounts that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets - Temporarily restricted net assets include amounts resulting from contributions and other inflows of assets whose use by the School or DOME is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the School or DOME pursuant to those stipulations. When a donor restriction expires, temporarily restricted net assets are reclassified and reported in the Statement of Activities as net assets released from restrictions.

Permanently Restricted Net Assets - Permanently restricted net assets are amounts resulting from contributions and other inflows of assets whose use by the School or DOME is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the School or DOME. The School does not have any permanently restricted net assets, however, DOME does have permanently restricted net assets.

Fees and Tuition Receivable – Fees and tuition receivable are recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Credit is extended to students' parents and collateral is not required. As of June 30, 2011 and 2010, the allowance for doubtful accounts was \$ 20,450 and \$ 55,000, respectively.

Property and Equipment - Buildings improvements, furniture, fixtures, equipment, and vehicles are recorded at cost. Expenditures for maintenance, repairs and renewals are charged to expense as incurred whereas major betterments are capitalized as building improvements. Substantially all of the assets are depreciated on the straight-line method based upon their estimated useful lives.

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Notes to Combined Financial Statements

For The Years Ended June 30, 2011 and 2010

(Continued)

A. Summary of Significant Accounting Policies and Other Information (Continued):

Investments - Investments are recorded at market and gains and losses from sales of investments are accounted for within the fund owning the investments. All investments are held by Fidelity Investments (market value \$ 271,245) and the Roman Catholic Archdiocese of Boston Common Investment Fund (market value \$ 8,200) as of June 30, 2011.

Fair Value Measurements - Fair Value Measurements established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 Inputs - Quoted prices of identical assets or liabilities in active markets;

Level 2 Inputs - Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets in inactive markets; or inputs other than quoted prices that are observable, such as models or other valuation methodologies;

Level 3 Inputs - Unobservable inputs for where there is little, if any, market activity.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Income Taxes - DOME is exempt from Federal income taxes as an organization formed under Section 501 (c) (3) of the Internal Revenue Code and the School is also exempt from federal income taxes. Accordingly, no provision for income taxes is required. Donors may deduct contributions made to the School or DOME within the Internal Revenue Code regulations. In addition, there are no unrecognized tax benefits and tax returns remain subject to examination by major tax jurisdictions for the standard three-year statute of limitations.

Pension Expense - The School's policy is to fund pension costs as incurred.

Marketing Expenses - The School expenses marketing expenses as incurred. Such expenses amounted to \$ 8,917 and \$ 8,541 for the years ended June 30, 2011 and 2010, respectively.

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

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Notes to Combined Financial Statements

For The Years Ended June 30, 2011 and 2010

(Continued)

B. Marketable Securities:

	June 30, 2011		June 30, 2010	
	Original Cost	Quoted Market	Original Cost	Quoted Market
Money Market	\$ 17	\$ 17	\$ 2,016	\$ 2,016
Mutual Funds:				
Strategic Income	85,502	91,101	88,697	90,993
Other Funds	180,434	188,827	46,803	38,727
	<u>\$ 265,953</u>	<u>\$ 279,945</u>	<u>\$ 137,516</u>	<u>\$ 131,736</u>
Temporarily Restricted	\$ 260,953	\$ 274,945	\$ 132,516	\$ 126,736
Permanently Restricted	5,000	5,000	5,000	5,000
	<u>\$ 265,953</u>	<u>\$ 279,945</u>	<u>\$ 137,516</u>	<u>\$ 131,736</u>

All temporarily restricted marketable securities are Level 1 inputs while permanently restricted marketable securities are Level 3. See Note J for changes in Level 3 inputs.

C. Property and Equipment:

Property and equipment consists of the following:

	June 30,	
	2011	2010
Furniture, Fixtures and Equipment	\$ 355,566	\$ 316,198
Buildings Improvements	37,387	37,387
Vehicles	26,616	26,616
	<u>419,569</u>	<u>380,201</u>
Less Accumulated Depreciation	173,156	123,755
	<u>\$ 246,413</u>	<u>\$ 256,446</u>

D. Line of Credit:

The School entered into an agreement with the Congregation of the Sisters of St. Joseph of Boston for an unsecured line of credit in the amount of \$ 250,000. The School may borrow from time to time any amount not to exceed \$ 250,000 at an interest rate of 2% per annum. This line of credit is available to the School until June 30, 2012 by which time any outstanding amount is to be paid. On or before January 30, 2012, both parties may agree to terminate, extend, or otherwise modify this agreement. The balance outstanding as of June 30, 2011 and 2010 on the line of credit was \$ 50,000 and \$ 85,000, respectively. Interest expense amounted to \$ 1,176 and \$ 1,853 for the years ended June 30, 2011 and 2010, respectively.

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Notes to Combined Financial Statements

For The Years Ended June 30, 2011 and 2010

(Continued)

E. Capital Lease Obligation:

The School leases office equipment. The lease is payable in monthly installments through June 2014 with interest at 11.37%. Interest expense attributed to this lease as of June 30, 2011 and 2010 amounted to \$ 4,277 and \$ 2,565, respectively.

The following is a summary of future minimum payments under the capitalized lease:

2012	\$ 14,701
2013	14,701
2014	7,351
	<hr/>
	36,753
Less Amount Representing Interest	<hr/>
	4,893
Present Value of Minimum Capitalized Lease Payments	31,860
Less Short-Term Portion Included in Current Liabilities	<hr/>
	11,675
Long-Term Portion of Capital Lease	<hr/>
	\$ 20,185
The Asset Acquired through this Capital Lease is as follows:	
Office Equipment	\$ 47,070
Less Accumulated Depreciation	<hr/>
	10,086
	<hr/>
	\$ 36,984

F. Retirement Plan:

The School has a contributory tax-sheltered annuity plan covering substantially all full-time personnel who have completed one year of service. The School makes no matching contribution relating to this plan.

The School also participates in the Pension Plan of the Roman Catholic Archdiocese of Boston. This plan is non-contributory. Substantially all full-time personnel participate in the non-contributory plan. Retirement benefits for all eligible employees are based upon years of service and compensation. Employees become fully vested upon completion of five years of service. Pension expense amounted to \$ 86,527 and \$ 84,850 for the year ended June 30, 2011 and 2010, respectively. Additional information may be obtained by writing to the Roman Catholic Archdiocese of Boston Benefits Trusts, 66 Brooks Drive, Braintree, Massachusetts 02184.

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Notes to Combined Financial Statements

For The Years Ended June 30, 2011 and 2010

(Continued)

G. Functional Allocation of Expenses:

The cost of providing the various programs and supporting services has been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services.

H. Concentrations of Credit and Market Risk:

Financial instruments that potentially expose the School and DOME to concentrations of credit and market risk consist primarily of cash and investments. Cash is maintained at high-quality financial institutions. The School or DOME have not experienced any losses on its cash. DOME's investments do not represent significant concentrations of market risk inasmuch as DOME's investment portfolio is adequately diversified among issuers.

I. Temporarily Restricted Net Assets:

DOME's temporarily restricted net assets are solely available for scholarships and financial aid for Marian High School students, while the School's temporarily restricted net assets are for technology only. DOME's temporarily restricted net assets were \$ 291,615 and \$ 348,177 while the School's temporarily restricted net assets were \$ 0 and \$ 12,230 as of June 30, 2011 and 2010, respectively. As of June 30, 2011 and 2010, \$ 102,551 and 267,300 was released from restrictions by DOME and awarded to Marian High School students, respectively. As of June 30, 2011 and 2010, the School released \$ 12,230 and \$ 7,770 for technology, respectively.

J. Changes in Permanently Restricted Net Assets:

On July 2, 2009, the Commonwealth of Massachusetts enacted the Uniform Prudent Management of Institutional Funds into law. As a result, DOME may, subject to the interest of a donor expressed in a gift instrument, appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent. It is the policy of DOME to appropriate the total investment return of the endowment fund each year.

Donor's permanent restrictions require that \$ 5,000 of principal as of June 30, 2011 and 2010 be held as a permanent source of income. Net investment income earned is restricted for scholarships and financial aid for Marian High School students.

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Notes to Combined Financial Statements

For The Years Ended June 30, 2011 and 2010

(Continued)

J. Changes in Permanently Restricted Net Assets (Continued):

The following summarizes the changes in Endowment Funds:

Endowment Net Assets as of June 30, 2010	\$ 5,000
Investment Income	250
Appropriation of Endowment – Temporarily Restricted Scholarships	<u>(250)</u>
Endowment Net Assets as of June 30, 2011	<u>\$ 5,000</u>

K. Lease Agreement:

Marian High School, Inc. leases the school property under a lease agreement commencing on July 1, 2010 for an initial period of thirty years at a minimum annual payment of \$ 1.00 per year. The School is responsible for all operating expenses of the property. In addition, the School has options to extend the lease for two additional ten year periods at annual rental amounts of \$ 50,000 and \$ 100,000 subject to reduction under certain conditions. Operating expenses amounted to \$ 308,903 and \$ 267,242 for the year ended June 30, 2011 and 2010, respectively.

L. Date Through Which Subsequent Events Have Been Evaluated:

Marian High School, Inc. and Development of Marian Education, Inc. have evaluated all material subsequent events from the end of the fiscal year through September 22, 2011, the date the combined financial statements were available to be issued. No material subsequent events have occurred since June 30, 2011 that required recognition or disclosure in these combined financial statements.

Independent Auditors' Report On Additional Information

Our audit was made for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The additional information on pages twelve through nineteen is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic combined financial statements and, accordingly, we express no opinion on it.

September 22, 2011

McCarthy, Hargrave & Co.

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Combining Statements of Financial Position

For The Year Ended June 30, 2011

ASSETS	Combined	Marian High School, Inc.	DOME
Current Assets:			
Cash	\$ 156,239	\$ 95,063	\$ 61,176
Fees and Tuition Receivable, Net	29,232	29,232	
Prepaid Expense	1,000	1,000	
Total Current Assets	186,471	125,295	61,176
Other Assets:			
Investment Cash	16,670		16,670
Marketable Securities	279,945		279,945
Property and Equipment, Net	246,413	246,413	
Total Assets	\$ 729,499	\$ 371,708	\$ 357,791
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	\$ 73,361	\$ 73,361	\$ -
Accrued Payroll and Other Liabilities	225,000	225,000	
Fees and Tuition Received in Advance	276,797	276,797	
Capital Lease, Short-Term Portion	11,675	11,675	
Line of Credit	50,000	50,000	
Total Current Liabilities	636,833	636,833	-
Long-Term Obligations:			
Capital Lease – Long-Term Portion	20,185	20,185	
TOTAL LONG-TERM OBLIGATIONS	20,185	20,185	-
Net Assets:			
Unrestricted (Deficit)	(224,134)	(285,310)	61,176
Temporarily Restricted	291,615		291,615
Permanently Restricted	5,000		5,000
Total Net Assets	72,481	(285,310)	357,791
Total Liabilities and Net Assets	\$ 729,499	\$ 371,708	\$ 357,791

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Combined Statement of Financial Position

For The Year Ended June 30, 2010

	Combined	Marian High School, Inc.	DOME
ASSETS			
Current Assets:			
Cash	\$ 175,529	\$ 175,529	\$ -
Fees and Tuition Receivable, Net	28,703	28,703	
TOTAL CURRENT ASSETS	204,232	204,232	-
Other Assets:			
Investment Cash	185,171	12,230	172,941
Marketable Securities	131,736		131,736
Property and Equipment, Net	256,446	256,446	-
Due (to) from Marian High School, Inc.	-	(48,500)	48,500
TOTAL ASSETS	\$ 777,585	\$ 424,408	\$ 353,177
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	\$ 118,802	\$ 118,802	\$ -
Accrued Payroll and Other Liabilities	207,144	207,144	
Fees and Tuition Received in Advance	279,740	279,740	
Capital Lease, Short-Term Portion	10,424	10,424	
TOTAL CURRENT LIABILITIES	616,110	616,110	-
Long-Term Obligations:			
Capital Lease – Long-Term Portion	31,860	31,860	
Line of Credit	85,000	85,000	
TOTAL LONG-TERM OBLIGATIONS	116,860	116,860	-
Net Assets:			
Unrestricted (Deficit)	(320,792)	(320,792)	
Temporarily Restricted	360,407	12,230	348,177
Permanently Restricted	5,000		5,000
Total Net Assets	44,615	(308,562)	353,177
Total Liabilities and Net Assets	\$ 777,585	\$ 424,408	\$ 353,177

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Combining Statements of Activities

For The Year Ended June 30, 2011

	Combined	Elimination	Marian High School, Inc.	HOME
Changes in Unrestricted Net Assets:				
Support and Revenues:				
Tuition and Fees	\$ 2,347,570		\$ 2,347,570	\$ -
Contributions	557,086	(A) (\$ 113,949)	495,910	175,125
Catholic Schools Foundation	150,000		150,000	
Auxiliary Services	68,227		68,227	
Athletic Income	43,905		43,905	
Rental Income	9,152		9,152	
Miscellaneous Income	91,265		91,265	
Net Assets Released From Restrictions:				
For Scholarships and Financial Aid	102,551		102,551	
For Technology	12,230		12,230	
Total Unrestricted Support and Revenues	3,381,986	(113,949)	3,320,810	175,125
Expenses:				
Educational	2,090,200		2,090,200	
Institutional	628,275		628,275	
Operations and Maintenance	406,680		406,680	
Fundraising	110,772		110,772	
Scholarships and Financial Aid	-	(A) (113,949)		113,949
Depreciation	49,401		49,401	
Total Expenses	3,285,328	(113,949)	3,285,328	113,949
Increase in Unrestricted Net Assets	96,658	-	35,482	61,176
Changes in Temporarily Restricted Net Assets:				
Contributions	13,965			13,965
Investment Income	9,744			9,744
Realized Gains on Investments	237			237
Unrealized Gains on Investments	22,043			22,043
Net Assets Released From Restrictions:				
For Scholarships and Financial Aid	(102,551)			(102,551)
For Technology	(12,230)		(12,230)	
Decrease in Temporarily Restricted Net Assets	(68,792)	-	(12,230)	(56,562)
Change in Net Assets	27,866		23,252	4,614
Net Assets (Deficit), Beginning of Year	44,615		(308,562)	353,177
Net Assets (Deficit), End of Year	\$ 72,481	-	(\$ 285,310)	\$ 357,791

(A) Elimination of Contributions and Scholarships and Financial Aid

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Combined Statement of Activities

For The Year Ended June 30, 2010

	Combined	Marian High School, Inc.	DOME
Changes in Unrestricted Net Assets:			
Support and Revenues:			
Tuition and Fees	\$ 2,070,753	\$ 2,070,753	\$ -
Contributions	462,947	462,947	
Catholic Schools Foundation	135,000	135,000	
Auxiliary Services	62,603	62,603	
Athletic Income	26,405	26,405	
Rental Income	4,950	4,950	
Miscellaneous Income	87,351	87,351	
Net Assets Released From Restrictions :			
For Scholarships and Financial Aid	267,300	267,300	
For Technology	7,770	7,770	
Total Unrestricted Support and Revenues	3,125,079	3,125,079	-
Expenses:			
Educational	1,948,684	1,948,684	
Institutional	670,904	670,904	
Operations and Maintenance	371,045	371,045	
Fundraising	110,368	110,368	
Depreciation	40,834	40,834	
Total Expenses	3,141,835	3,141,835	-
Decrease in Unrestricted Net Assets	(16,756)	(16,756)	-
Changes in Temporarily Restricted Net Assets:			
Contributions	66,612	20,000	46,612
Investment Income	8,047		8,047
Realized Gains on Investments	46,949		46,949
Unrealized Gains on Investments	31,544		31,544
Net Assets Released From Restrictions:			
For Scholarships and Financial Aid	(267,300)		(267,300)
For Technology	(7,770)	(7,770)	
Decrease in Temporarily Restricted Net Assets	(121,918)	12,230	(134,148)
Change in Net Assets	(138,674)	(4,526)	(134,148)
Net Assets (Deficit), Beginning of Year	183,289	(304,036)	487,325
Net Assets (Deficit), End of Year	\$ 44,615	(\$ 308,562)	\$ 353,177

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Combining Statements of Cash Flows

For The Year Ended June 30, 2011

	Combined	Marian High School, Inc.	DOMÉ
Cash Flows From Operating Activities:			
Change in Net Assets	\$ 27,866	\$ 23,252	\$ 4,614
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:			
Depreciation	49,401	49,401	
Realized Gain on Marketable Securities	(237)		(237)
Unrealized Gain on Marketable Securities	(22,043)		(22,043)
Increase (Decrease) in Cash Resulting from Changes in:			
Fees and Tuition Receivable	(529)	(529)	
Prepaid Expenses	(1,000)	(1,000)	
Accounts Payable	(45,441)	(45,441)	
Accrued Payroll and Other Liabilities	17,856	17,856	
Fees and Tuition Received in Advance	(2,943)	(2,943)	
Net Cash Provided (Used) by Operating Activities	22,930	40,596	(17,666)
Cash Flows From Investing Activities:			
Decrease in Investment Cash	168,501	12,230	156,271
Purchase of Marketable Securities	(154,429)		(154,429)
Proceeds from Sales of Marketable Securities	28,500		28,500
Expenditures for Property and Equipment	(39,368)	(39,368)	
Net Cash Provided (Used) by Investing Activities	3,204	(27,138)	30,342
Cash Flows From Financing Activities:			
Line of Credit Payments	(35,000)	(35,000)	
Payment Amount Due DOMÉ	-	(48,500)	48,500
Reduction of Capitalized Lease Obligation	(10,424)	(10,424)	
Net Cash Provided (Used) by Financing Activities	(45,424)	(93,924)	48,500
Net (Decrease) Increase in Cash	(19,290)	(80,466)	61,176
Cash at Beginning of Year	175,529	175,529	-
Cash at End of Year	\$ 156,239	\$ 95,063	\$ 61,176
Supplemental Disclosure of Cash Flow Information:			
Cash Paid During the Year for:			
Interest	\$ 5,453	\$ 5,453	\$ -
Non-Cash Investing and Financing Activities:			
Payment Amount Due DOMÉ	\$ -	(\$ 48,500)	\$ 48,500

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Combined Statement of Cash Flows

For The Year Ended June 30, 2010

	<u>Combined</u>	<u>Marian High School</u>	<u>DOME</u>
Cash Flows From Operating Activities:			
Change in Net Assets	(\$ 138,674)	(\$ 4,526)	(\$ 134,148)
Adjustments to Reconcile Change in Net Assets to Net Cash			
Provided (Used) by Operating Activities:			
Depreciation	40,834	40,834	
Realized Gain on Marketable Securities	(46,949)		(46,949)
Unrealized Gain on Marketable Securities	(31,544)		(31,544)
Increase (Decrease) in Cash Resulting from Changes in:			
Fees and Tuition Receivable	(6,239)	(6,239)	
Prepaid Expenses	3,725	3,725	
Accounts Payable	115,091	115,091	
Accrued Payroll and Other Liabilities	44,687	44,687	
Fees and Tuition Received in Advance	(54,950)	(54,950)	
Net Cash (Used) Provided by Operating Activities	(74,019)	138,622	(212,641)
Cash Flows From Investing Activities:			
Increase in Investment Cash	(82,205)	(12,230)	(69,975)
Proceeds from Sales of Marketable Securities	262,616		262,616
Expenditures for Property and Equipment	(32,201)	(32,201)	
Net Cash Provided (Used) by Investing Activities	148,210	(44,431)	192,641
Cash Flows From Financing Activities:			
Line of Credit Payments	(15,000)	(15,000)	
Payment Amount Due DOME	-	(20,000)	20,000
Reduction of Capitalized Lease Obligation	(4,786)	(4,786)	
Net Cash (Used) Provided by Financing Activities	(19,786)	(39,786)	20,000
Net Increase in Cash	54,405	54,405	-
Cash at Beginning of Year	121,124	121,124	-
Cash at End of Year	\$ 175,529	\$ 175,529	\$ -
Supplemental Disclosure of Cash Flow Information:			
Cash Paid During the Year for:			
Interest	\$ 4,418	\$ 4,418	\$ -
Non-Cash Investing and Financing Activities:			
Capital Lease Acquisition and Obligation	\$ 47,070	\$ 47,070	\$ -

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Details Of Educational Expenses

	June 30,	
	2011	2010
Teachers' Salaries	\$ 1,012,923	\$ 931,536
Athletic Salaries	152,137	153,474
Guidance Salaries	149,996	139,787
Library Salaries	38,760	36,058
Cafeteria Salaries	33,442	26,078
Driver Salaries		7,614
Payroll Taxes	93,081	117,265
Health Insurance	104,044	75,490
Pension Expense	66,588	63,725
Employee Benefits	34,958	41,143
Workshop and Seminars	1,084	3,409
Testing	13,333	13,427
Student Activities	76,002	64,826
Dues and Subscriptions	8,006	4,625
Supplies	16,255	14,410
Computer Supplies	26,784	23,358
Copier Maintenance and Usage	19,278	16,975
Books and Merchandise	21,726	38,909
English	1,511	1,100
Mathematics	2,756	1,737
Science	5,360	6,918
Social Studies	1,307	1,307
Religion	677	752
Language	1,297	2,015
Fine Arts	2,855	1,434
Guidance	980	967
Library	1,673	2,125
Athletic Programs	144,142	103,564
Cafeteria	59,245	53,831
Summer School	-	825
	\$ 2,090,200	\$ 1,948,684

MARIAN HIGH SCHOOL, INC. AND DEVELOPMENT OF MARIAN EDUCATION, INC.

Details Of Expenses

Institutional	June 30,	
	2011	2010
Administrative and Support Salaries	\$ 367,397	\$ 375,561
Religious Salaries	92,926	87,199
Payroll Taxes	24,616	28,437
Health Insurance	27,555	22,470
Pension Expense	17,635	18,961
Employee Benefits	4,409	4,430
Marketing	8,917	8,541
Admissions	12,650	7,147
Professional Services	5,000	1,420
Office Supplies	5,394	6,176
Computer Supplies	8,887	5,840
Copier Maintenance and Usage	6,397	7,275
Postage	15,077	18,277
Payroll Service Fees	4,215	4,195
Bank Charges	3,926	5,587
Interest Expense	5,453	4,418
Bad Debts Provision	-	54,050
Miscellaneous	17,821	10,920
	\$ 628,275	\$ 670,904

Operations And Maintenance	June 30,	
	2011	2011
Salaries	\$ 48,003	\$ 48,955
Payroll Taxes	3,216	3,349
Health Insurance	3,600	2,565
Pension Expense	2,304	2,164
Employee Benefits	576	506
Utilities and Fuel	160,970	140,831
Repairs And Services	147,933	126,411
Gas and Maintenance of Vehicles	12,945	19,459
Insurance	27,133	26,805
	\$ 406,680	\$ 371,045