

**MATIGNON HIGH SCHOOL, INC.**

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**FINANCIAL STATEMENTS AND  
ACCOMPANYING INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE AMOUNTS FOR 2010)**

**(WITH INDEPENDENT AUDITOR'S REPORT THEREON)**



MATIGNON HIGH SCHOOL, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2011

(With Comparative Amounts for 2010)

	<u>June 30</u>	
<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Cash	\$ 535,037	\$ 252,016
Cash - debt reserve	-	191,738
Accounts receivable	31,487	32,683
Investments	95,326	78,948
Deferred costs, less accumulated amortization of \$5,625 in 2011 and \$3,125 in 2010	19,375	21,875
Property and equipment, net	<u>2,678,573</u>	<u>2,917,023</u>
Total assets	<u>\$ 3,359,798</u>	<u>\$ 3,494,283</u>
 <u>LIABILITIES AND NET ASSETS (DEFICIENCY)</u> 		
Liabilities:		
Note payable - line of credit	\$ 117,850	\$ 90,000
Note payable to bank	4,025,000	4,025,000
Revolving loan payable	33,247	33,247
Accounts payable and accrued expenses	743,141	594,976
Deferred revenues	956,681	702,769
Accrued interest payable on revolving loan	340,991	340,991
Other liabilities	<u>1,806</u>	<u>1,806</u>
Total liabilities	<u>6,218,716</u>	<u>5,788,789</u>
Net Assets (Deficiency):		
Unrestricted	( 2,980,616 )	( 2,398,061 )
Temporarily restricted	72,098	53,955
Permanently restricted	<u>49,600</u>	<u>49,600</u>
Total net assets (deficiency)	<u>( 2,858,918 )</u>	<u>( 2,294,506 )</u>
Total liabilities and net assets (deficiency)	<u>\$ 3,359,798</u>	<u>\$ 3,494,283</u>

See accompanying notes to financial statements.

MATIGNON HIGH SCHOOL, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2011  
(With Comparative Totals for 2010)

	2011			Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2011	2010
<b>REVENUES AND SUPPORT:</b>					
Tuition and fees	\$ 3,126,620	\$ -	\$ -	\$ 3,126,620	\$ 2,701,923
Grants and contributions	225,671	1,550	-	227,221	237,526
Miscellaneous	173,503	-	-	173,503	140,092
Fundraising	62,950	-	-	62,950	61,120
Rental income	44,620	-	-	44,620	42,180
Books and supplies	3,285	-	-	3,285	3,148
Interest and dividends	-	3,627	-	3,627	3,055
Unrealized appreciation on investments	-	12,966	-	12,966	5,517
<b>Total revenues and support</b>	<b>3,636,649</b>	<b>18,143</b>	<b>-</b>	<b>3,654,792</b>	<b>3,194,561</b>
<b>EXPENSES:</b>					
Program services expenses	2,428,716	-	-	2,428,716	2,290,520
Supporting services expenses:					
General and administrative	1,766,286	-	-	1,766,286	1,689,784
Fundraising	24,202	-	-	24,202	21,275
<b>Total supporting services expenses</b>	<b>1,790,488</b>	<b>-</b>	<b>-</b>	<b>1,790,488</b>	<b>1,711,059</b>
<b>Total expenses</b>	<b>4,219,204</b>	<b>-</b>	<b>-</b>	<b>4,219,204</b>	<b>4,001,579</b>
<b>CHANGE IN NET ASSETS</b>	<b>( 582,555 )</b>	<b>18,143</b>	<b>-</b>	<b>( 564,412 )</b>	<b>( 807,018 )</b>
<b>NET ASSETS (DEFICIENCY), beginning of year</b>	<b>( 2,398,061 )</b>	<b>53,955</b>	<b>49,600</b>	<b>( 2,294,506 )</b>	<b>( 1,487,488 )</b>
<b>NET ASSETS (DEFICIENCY), end of year</b>	<b>( \$ 2,980,616 )</b>	<b>\$ 72,098</b>	<b>\$ 49,600</b>	<b>( \$ 2,858,918 )</b>	<b>( \$ 2,294,506 )</b>

See accompanying notes to financial statements.

MATIGNON HIGH SCHOOL, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011  
(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	( \$ 564,412 )	( \$ 807,018 )
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	280,037	279,650
Amortization of deferred costs	2,500	2,500
Unrealized appreciation on investments	( 12,966 )	( 5,517 )
(Increase) decrease in assets:		
Accounts receivable	1,196	( 4,982 )
Increase in liabilities:		
Accounts payable and accrued expenses	148,165	208,423
Deferred revenues	253,912	112,744
Other liabilities	-	720
Total adjustments	<u>672,844</u>	<u>593,538</u>
Net cash provided by (used in) operating activities	<u>108,432</u>	<u>( 213,480 )</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Decrease in cash-debt reserve	191,738	247,887
Purchases of investments	( 3,412 )	( 2,946 )
Purchases of property and equipment	( 41,587 )	( 16,255 )
Net cash provided by investing activities	<u>146,739</u>	<u>228,686</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from line of credit	32,337	-
Repayments of line of credit	( 4,487 )	-
Net cash provided by financing activities	<u>27,850</u>	<u>-</u>
<b>NET INCREASE IN CASH</b>	<b>283,021</b>	<b>15,206</b>
CASH, beginning of year	<u>252,016</u>	<u>236,810</u>
CASH, end of year	<u>\$ 535,037</u>	<u>\$ 252,016</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid during the year for interest	<u>\$ 229,544</u>	<u>\$ 249,417</u>

See accompanying notes to financial statements.

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

A. Organization:

Matignon High School, Inc. (the "School" or the "Corporation"), a nonprofit corporation, is a private Catholic high school located in Cambridge, Massachusetts. The purpose of the School is to fulfill the education mission of the Roman Catholic Church, the Roman Catholic Archdiocese of Boston and the Roman Catholic Archbishop of Boston.

Members of the Corporation include the Chairman (Archbishop of the Archdiocese of Boston), the Secretary of Education of the Archdiocese of Boston and other persons who may be appointed by the Chairman. Members of the Corporation appoint and remove Trustees and Officers as defined in the Corporation's by-laws. The Trustees are responsible for the property and business affairs of the Corporation.

B. Summary of Significant Accounting Policies:

Basis of accounting:

The School prepares its financial statements in accordance with generally accepted accounting principles. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

Basis of presentation:

Under ASC 958-205, Presentation of Financial Statements of Not-for-Profit Entities, the School 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) based upon the existence or absence of donor imposed restrictions.

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

B. Summary of Significant Accounting Policies – (continued):

Basis of presentation – (continued)

Net assets and revenues, expenses, gains and losses are 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:

Net assets:

Unrestricted net assets:

Unrestricted net assets represent those assets which the School may use at its discretion.

Restricted gains and investment income and donor-restricted contributions whose restrictions are met in the same reporting period are classified as unrestricted.

Temporarily restricted net assets:

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

Permanently restricted net assets:

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the School. Generally, the donors of these assets permit the School to use all or part of the income earned on related investments for general or specific purposes.

Tuition revenue:

Tuition revenue is recorded at rates established by the School.

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

**B. Summary of Significant Accounting Policies – (continued):**

**Investments:**

The School follows FASB ASC 958-320, Investments - Debt and Equity Securities of Not-for-Profit Entities. Under FASB ASC 958-320, marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Deferred costs:**

Deferred costs consist of legal fees and closing costs incurred in obtaining financing. Legal fees and closing costs are amortized on a straight-line basis over the term of the respective loans.

**Property and equipment:**

Property and equipment are recorded at cost or at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

**Deferred revenues:**

Deposits and advance payments received for tuition and fees which relate to the School's tuition billed for the following academic year are deferred and are recorded as unrestricted revenues as earned.

**Income tax status:**

The School is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax.

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

B. Summary of Significant Accounting Policies – (continued):

Income tax status – (continued):

The School recognizes and measures its unrecognized tax positions in accordance with FASB ASC 740, Income Taxes. Under that guidance the School assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change. The School adopted the provisions of this standard on July 1, 2009 and did not identify any uncertain tax positions. Interest and penalties associated with unrecognized income taxes would be classified as additional income taxes in the statement of activities.

C. Investments:

Investments consist of shares held in the Roman Catholic Archdiocese of Boston Common Investment Fund, as follows at June 30, 2011:

<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation</u>
<u>\$ 45,726</u>	<u>\$ 49,600</u>	<u>\$ 95,326</u>	<u>\$ 78,027</u>	\$ 17,299
Unrealized appreciation at June 30, 2010				<u>4,333</u>
Increase in unrealized appreciation - year ended June 30, 2011				<u>\$ 12,966</u>



MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

D. Property and Equipment:

Property and equipment at June 30, 2011, consists of the following:

Leasehold improvements	\$ 3,062,783
Furniture, fixtures and equipment	975,019
Vehicles	<u>24,255</u>
	4,062,057
Less accumulated depreciation	( <u>1,383,484</u> )
	<u>\$ 2,678,573</u>

E. Note Payable – Line of Credit:

The School has a \$200,000 secured line of credit agreement with a bank for short-term borrowings which expires on demand. Interest on outstanding borrowings is payable monthly at the bank's base lending rate (4.00% at June 30, 2011), plus 1.0%. As of June 30, 2011, there was \$117,850 outstanding under this agreement.

Real estate and assignment of leases and rents are pledged as collateral.

F. Note Payable to Bank:

Note payable to bank, amounting to \$4,025,000, requires the School to make interest only payments at 6% through June 2013 at which time principal payments will begin. The note matures on June 30, 2021.

On June 27, 2011, the School's lender agreed to make an additional term loan of \$1,050,000. The School will be required to make interest only payments at 6% for the first two years at which time principal payments will begin. The note matures on June 30, 2021.

Real estate and assignment of leases and rents are pledged as collateral. The notes are guaranteed by the Archdiocese of Boston. In addition, the School will be required to maintain a debt reserve cash account of \$375,000 to make principal and interest payments on the notes payable to the bank.

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

F. Note Payable to Bank – (continued):

Maturities of notes payable to bank for the five years succeeding June 30, 2011 are as follows:

2012	\$	-
2013		-
2014		509,678
2015		541,114
2016		574,488
	\$	<u>1,625,280</u>

Interest expense on the note payable to bank and line of credit amounted to \$250,340 for the year ended June 30, 2011.

G. Revolving Loan Payable:

During the 2007 fiscal year, the School entered into a revolving loan agreement with the Archdiocese of Boston, (a related party), with interest at 6% per annum. During the year ended June 30, 2009, the School refinanced substantially all of its indebtedness to the Archdiocese of Boston. Outstanding borrowings on the revolving loan at June 30, 2011 amounted to \$33,247. There are no specific requirements in the loan agreement for the timing of repayment of borrowings.

H. Net Assets:

Temporarily restricted net assets:

Temporarily restricted net assets at June 30, 2011, are comprised of \$72,098 restricted by donors for financial assistance and scholarships.

Permanently restricted net assets:

Permanently restricted net assets of \$49,600 at June 30, 2011 are to be held in perpetuity, the income of which is to be used for scholarships, library books, periodicals, and electronic media.

I. Pension plan:

Nonreligious faculty members of the School who meet eligibility requirements are participants in a noncontributory retirement annuity plan which is funded annually. There are no prior service costs under the plan. Pension expense amounted to \$108,773 for the year ended June 30, 2011.

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

J. Concentration of Credit Risk:

The School maintains a cash balance with one financial institution located in eastern Massachusetts. The account at the institution is insured by the Federal Deposit Insurance Corporation, up to \$250,000. At various times throughout the year the School's cash balance may have exceeded this limit.

K. Functional Allocation of Expenses:

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

L. Related Party Transactions:

The Catholic School Foundation is an affiliated organization of the Archdiocese of Boston and provided tuition support amounting to \$75,000 during the year ended June 30, 2011, which is included in grants and contributions in the accompanying Statement of Activities.

Accrued interest payable to the Archdiocese of Boston amounted to \$340,991 at June 30, 2011. Accounts payable to the Archdiocese of Boston amounted to approximately \$471,000 at June 30, 2011.

M. Lease Agreement:

The Archdiocese of Boston (the "Archdiocese") owns the property which the School occupies. The School has entered into a lease agreement with the Archdiocesan Central High School, Inc., a related party, which expires June 2059. The lease requires the School to pay \$1 rent for each of the first thirty years, \$50,000 each year for years thirty-one through forty and \$100,000 each year for the years forty-one through fifty. The rent may be reduced for leasehold improvements made by the tenant.

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

**N. Fair Value Measurements:**

The School uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the School's financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The fair value hierarchy prioritizes its inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly. These may include quoted prices for similar securities.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following methods and assumptions were used to determine the fair value of each class of financial instruments measured on a recurring basis:

Level 1 – The School did not have any assets or liabilities measured at fair value in level 1 at June 30, 2011.

Level 2 – The School estimates the fair value of its unit holdings in the investment fund based on the School's share of the underlying investment portfolio that consists of actively traded equities, bonds and money market funds.

Level 3 – The School did not have any assets or liabilities measured at fair value in level 3 at June 30, 2011.

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

N. Fair value measurements – (continued):

Fair values of assets measured on a recurring basis at June 30, 2011 are as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investment funds	<u>\$ 95,326</u>	<u>\$ -</u>	<u>\$ 95,326</u>	<u>\$ -</u>

O. Endowment:

The School's endowment consists of several permanently restricted funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted Massachusetts Law Chapter 180A as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until appropriated for expenditure under Chapter 180A. The School considers the following factors in making appropriations for expenditure in a manner consistent with the standard of prudence prescribed by Massachusetts Law Chapter 180A:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the School
- (7) The investment policies of the School.

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

O. Endowment: - (continued)

Endowment net asset composition by type of fund as of June 30, 2011, was as follows:

	<u>Permanently Restricted</u>
Donor-restricted endowment funds	\$ <u>49,600</u>

Changes in endowment net assets for the year ended June 30, 2011 were as follows:

	<u>Permanently Restricted</u>
Endowment net assets, beginning of year	\$ 49,600
Investment return:	
Interest and dividend income	1,800
Total investment return	<u>1,800</u>
Appropriation of endowment assets for expenditure	( <u>1,800</u> )
Endowment net assets, end of year	<u>\$ 49,600</u>

MATIGNON HIGH SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

(continued)

O. Endowment: - (continued)

Return objectives and risk parameters:

Endowment assets include those assets of donor-restricted funds that the School must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The School expects its endowment funds, over time, to provide an average rate of return of approximately 8.25% annually. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, the School relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The School targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how investment objectives relate to spending policy:

The Board of Trustees have authorized an investment spending policy under which the School uses up to 5% of the average market value of its investment portfolio over the previous twelve quarters. In establishing this policy, the School considered the long-term expected return on its endowment. Accordingly, over the long term, the School expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with the School's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. During the year ended June 30, 2011 the spending policy allocation was not applied.

P. Subsequent Events:

The School has engaged a professional organization to assist with the development of a Capital Campaign. Subsequent events have been evaluated through December 14, 2011, which is the date the financial statements were available to be issued.



INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION

THE BOARD OF TRUSTEES  
MATIGNON HIGH SCHOOL, INC.  
Cambridge, Massachusetts

Our report on our audit of the financial statements of Matignon High School, Inc. for the year ended June 30, 2011 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information for the year ended June 30, 2011 on pages 17 and 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The prior year accompanying information has been derived from the School's 2010 financial statements and, in our report dated November 22, 2010, we expressed an unqualified opinion on those financial statements.

*Parent, McLaughlin & Nangle*

Certified Public Accountants

December 14, 2011

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MATIGNON HIGH SCHOOL, INC.

SCHEDULE OF PROGRAM SERVICES EXPENSES

YEAR ENDED JUNE 30, 2011  
(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u>
Salaries	\$ 1,771,347	\$ 1,663,309
Fringe benefits	371,746	363,956
Student activities and summer school	75,007	60,800
Transportation	57,417	48,863
Athletic events	45,051	42,764
Athletic equipment	44,398	47,364
Referees	25,737	24,964
Graduation	21,903	23,837
Fees	15,290	13,889
Books and publications	820	774
	<u>\$ 2,428,716</u>	<u>\$ 2,290,520</u>

See independent auditor's report on accompanying information.

MATIGNON HIGH SCHOOL, INC.

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

YEAR ENDED JUNE 30, 2011  
(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u>
Salaries	\$ 486,766	\$ 462,910
Depreciation	280,037	279,650
Interest expense	250,340	249,417
Maintenance	170,588	146,530
Utilities	103,813	70,814
Fringe benefits	102,155	101,292
Miscellaneous	48,541	43,636
Office supplies	40,040	35,061
Printing	38,262	44,578
Admissions	36,607	34,075
Professional services	33,050	31,555
Insurance	32,548	26,158
Contracted services	31,570	34,623
Equipment rental and maintenance	31,139	28,332
Development activity	18,350	8,709
Vehicle lease	17,696	21,956
Conferences and workshops	15,267	15,545
Telephone	10,619	12,076
Postage	8,388	5,597
Uncollectible tuition	8,010	34,770
Amortization	2,500	2,500
	<u>\$ 1,766,286</u>	<u>\$ 1,689,784</u>

See independent auditor's report on accompanying information.