

**North Cambridge Catholic Corporate
Work Study Program, Inc.**

**Financial Statements
and Supplementary Information**

**For the Years Ended
June 30, 2007 and 2006**



**North Cambridge Catholic Corporate
Work Study Program, Inc.**

**Financial Statements
and Supplementary Information**

**For the Years Ended
June 30, 2007 and 2006**

Contents

	Page
Independent auditors' report	1
Financial statements	
Statements of financial position	2
Statement of activities (with comparative totals for 2006)	3
Statements of cash flows	4
Notes accompanying the financial statements	5-9
Independent auditors' report on supplementary information	10
Supplementary information	
Schedule of program services expenses	11
Schedule of general and administrative expenses	12

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
North Cambridge Catholic Corporate Work Study Program, Inc.
Cambridge, Massachusetts

We have audited the accompanying statement of financial position of **North Cambridge Catholic Corporate Work Study Program, Inc.** (a not-for-profit corporation) as of June 30, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year information has been derived from the Corporation's June 30, 2006 financial statements and was audited by other auditors whose report dated August 1, 2006 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **North Cambridge Catholic Corporate Work Study Program, Inc.** as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Braver PC

Newton, Massachusetts
February 8, 2008

1
Boston

Newton

Providence

North Cambridge Catholic Corporate Work Study Program, Inc.

**Statements of Financial Position
June 30, 2007 and 2006**

	2007	2006
<i>Assets</i>		
Cash and cash equivalents	\$ 176,012	\$ 329,518
Accounts receivable	39,156	36,500
Prepaid expenses and other assets	-	1,492
Property and equipment, net	19,250	27,650
Total assets	\$ 234,418	\$ 395,160
<i>Liabilities and Net Assets</i>		
Liabilities		
Accounts payable and accrued expenses	\$ 378	\$ 210
Deferred revenue	10,000	56,250
Total liabilities	10,378	56,460
Net assets		
Unrestricted	224,040	338,700
Total net assets	224,040	338,700
Total liabilities and net assets	\$ 234,418	\$ 395,160

The accompanying notes are an integral part of these financial statements

North Cambridge Catholic Corporate Work Study Program, Inc.

**Statement of Activities
For the Year Ended June 30, 2007
(With Comparative Totals for 2006)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>2006 Totals</u>
Revenues					
Sponsor revenue	\$ 1,253,615	\$ -	\$ -	\$ 1,253,615	\$ 1,097,954
Grants and contributions	2,425	-	-	2,425	16,801
Total revenues	<u>1,256,040</u>	<u>-</u>	<u>-</u>	<u>1,256,040</u>	<u>1,114,755</u>
Expenses					
Program	1,139,870	-	-	1,139,870	674,641
General and administrative	230,830	-	-	230,830	239,170
Total expenses	<u>1,370,700</u>	<u>-</u>	<u>-</u>	<u>1,370,700</u>	<u>913,811</u>
Increase (decrease) in net assets	(114,660)	-	-	(114,660)	200,944
Net assets, beginning of year	<u>338,700</u>	<u>-</u>	<u>-</u>	<u>338,700</u>	<u>137,756</u>
Net assets, end of year	<u>\$ 224,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,040</u>	<u>\$ 338,700</u>

The accompanying notes are an integral part of these financial statements

North Cambridge Catholic Corporate Work Study Program, Inc.

**Statements of Cash Flows
For the Years Ended June 30, 2007 and 2006**

	2007	2006
Cash flows from operating activities		
Change in net assets	\$ (114,660)	\$ 200,944
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	8,400	8,400
Changes in operating assets and liabilities		
Decrease (increase) in		
Accounts receivable	(2,656)	(1,517)
Prepaid expenses and other assets	1,492	327
Increase (decrease) in		
Accounts payable and accrued expenses	168	(431)
Deferred revenue	(46,250)	26,250
Net cash provided by (used in) operating activities	(153,506)	233,973
Net increase (decrease) in cash and cash equivalents	(153,506)	233,973
Cash and cash equivalents at beginning of year	329,518	95,545
Cash and cash equivalents at end of year	\$ 176,012	\$ 329,518

The accompanying notes are an integral part of these financial statements

North Cambridge Catholic Corporate Work Study Program, Inc.

Notes Accompanying the Financial Statements For the Years Ended June 30, 2007 and 2006

1. Organization

North Cambridge Catholic Corporate Work Study Program, Inc. (the "Corporation") was incorporated in February 2004, with the following purposes:

- a. To support and assist North Cambridge Catholic High School, Inc. in fulfilling the educational mission of the Roman Catholic Church, the Roman Catholic Archbishop of Boston, the Roman Catholic Archdiocese of Boston and the Cristo Rey Network.
- b. To develop, implement, manage and oversee corporate internship and/or work study programs to enable students enrolled at North Cambridge Catholic High School, Inc. to pay a portion of their tuition and gain hands-on business work experience, and
- c. To exclusively perform religious, education and charitable activities in support of North Cambridge Catholic High School, Inc., the Roman Catholic Church, the Roman Catholic Archbishop of Boston and the Roman Catholic Archdiocese of Boston.

Members of the Corporation include the Chairman (Archbishop of the Archdiocese of Boston), the Secretary of Education of the Archdiocese of Boston, the Chancellor 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.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared in accordance with recommendations of the Financial Accounting Standards Board in the Statement of Financial Accounting Standards (SFAS) No. 117, "*Financial Statements of Not-for-Profit Organizations*." Under SFAS No. 117, the Corporation 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.

Unrestricted Net Assets

Unrestricted net assets represent those assets which the Corporation may use at its discretion. 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 by actions of the Corporation and/or the passage of time. The Corporation has no temporarily restricted net assets at June 30, 2007.

North Cambridge Catholic Corporate Work Study Program, Inc.

Notes Accompanying the Financial Statements For the Years Ended June 30, 2007 and 2006

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Permanently restricted net assets

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Corporation. Generally, the donors of those assets permit the Corporation to use all or part of the income earned for general or specific purposes. The Corporation has no permanently restricted assets at June 30, 2007.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets.

Deferred Revenue

Deferred revenue represents advance payments received from sponsors and are recorded as unrestricted revenues as earned.

Expense Allocation

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

North Cambridge Catholic Corporate Work Study Program, Inc.

Notes Accompanying the Financial Statements For the Years Ended June 30, 2007 and 2006

2. Summary of Significant Accounting Policies (Continued)

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. 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 restriction.

Sponsor Revenue

Sponsor revenue is recognized ratably over the term of the contract which coincides with services performed by students of North Cambridge Catholic High School, Inc.

Income Taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Corporation's tax-exempt purpose is subject to taxation as unrelated business income at both the state and federal levels. In addition, the Corporation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Corporation is also exempt from Massachusetts income taxes.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Donated Materials and Facilities

Donated materials and facilities are recorded as contributions at their estimated fair value at the date of donation.

Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made," if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Corporation. No amounts have been reflected in the financial statements for donated services.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Corporation considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

North Cambridge Catholic Corporate Work Study Program, Inc.

Notes Accompanying the Financial Statements For the Years Ended June 30, 2007 and 2006

2. Summary of Significant Accounting Policies (Continued)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2006, from which the summarized information was derived.

3. Accounts Receivable

The Corporation grants credit to sponsor contracts involved with internship and/or work study programs. Accounts receivable are as follows as of June 30:

	<u>2007</u>	<u>2006</u>
Accounts receivable	\$ 39,156	\$ 36,500
Less: Allowance for doubtful accounts	<u>-</u>	<u>-</u>
Net accounts receivable	<u>\$ 39,156</u>	<u>\$ 36,500</u>

4. Concentrations of Credit Risk

Financial instruments, that potentially subject the Corporation to concentrations of credit risk, consist principally of temporary cash investments and accounts receivable. The Corporation places its temporary cash investments and limits the amount of credit exposure with one financial institution located in Massachusetts. Concentrations of credit risk with respect to accounts receivable are limited due to the number of sponsorships comprising the Corporation's sponsorship base and their dispersion across different industries, government sectors, and geographic areas and is limited due to small amounts owed by sponsor contract. Accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2007, the Corporation's uninsured cash balance is \$89,728.

5. Related Party Transactions

During the years ended June 30, 2007 and 2006, the Corporation paid \$1,010,000 and \$550,000, respectively of support to North Cambridge Catholic High School, Inc., a related party, which is included in the accompanying statement of activities under the caption program expenses.

During the years ended June 30, 2007 and 2006, the Corporation recognized \$143,153 and \$125,000, respectively of sponsor contract revenue from businesses affiliated with members of the Board of Trustees.

North Cambridge Catholic Corporate Work Study Program, Inc.

Notes Accompanying the Financial Statements For the Years Ended June 30, 2007 and 2006

6. Property and Equipment

Property and equipment consist of the following as of June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Vehicles	\$ 42,000	\$ 42,000
Less: Accumulated depreciation	<u>22,750</u>	<u>14,350</u>
	<u>\$ 19,250</u>	<u>\$ 27,650</u>

Depreciation expense amounted to \$8,400 for each of the years ended June 30, 2007 and 2006.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Trustees of
North Cambridge Catholic Corporate Work Study Program, Inc.
Cambridge, Massachusetts

Our report on our audit of the basic financial statements of **North Cambridge Catholic Corporate Work Study Program, Inc.** (a not-for-profit corporation) for the year ended June 30, 2007 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of program services expenses and general and administrative expenses for the years ended June 30, 2007 and 2006 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information for the year ended June 30, 2007 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 financial statements taken as a whole. The prior year information has been derived from the Corporation's June 30, 2006 financial statements and was audited by other auditors whose report dated August 1, 2006 expressed an unqualified opinion on those statements.

Braver PC

Newton, Massachusetts
February 8, 2008

North Cambridge Catholic Corporate Work Study Program, Inc.

Schedules of Program Services Expenses
(Supplementary Information)
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Support payments to North Cambridge Catholic High School, Inc.	\$ 1,010,000	\$ 550,000
Leased buses	64,510	57,276
Bus drivers	23,716	15,546
Student training and seminars	14,541	12,173
Transportation	12,582	21,058
Depreciation	8,400	8,400
Recruiting	4,145	3,990
Sponsor events	1,681	5,510
Other	295	688
	<u>\$ 1,139,870</u>	<u>\$ 674,641</u>

North Cambridge Catholic Corporate Work Study Program, Inc.

Schedules of General and Administrative Expenses
(Supplementary Information)
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Salaries	\$ 174,245	\$ 172,469
Fringe benefits	31,381	42,474
Miscellaneous	8,832	7,761
Professional fees	8,700	8,000
Insurance	3,675	3,838
Telephone	2,152	4,201
Office supplies	1,845	427
	<u>\$ 230,830</u>	<u>\$ 239,170</u>

See independent auditors' report on supplementary information