

**MARIAN HIGH SCHOOL, INC.
AND
DEVELOPMENT OF MARIAN EDUCATION, INC.
Combined Financial Statements and Additional Information
For The Years Ended June 30, 2015 and 2014
and
Independent Auditors' Reports**

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

Combined Financial Statements and Additional Information

For The Years Ended June 30, 2015 and 2014

and Independent Auditors' Reports

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McCarthy, Hargrave & Co.

Certified Public Accountants

Board of Trustees

**Marian High School, Inc. And
Development of Marian Education, Inc.**
Framingham, Massachusetts

Independent Auditors' Report

We have audited the accompanying combined financial statements of Marian High School, Inc. and Development of Marian Education, Inc., which comprise the combined statements of financial position as of June 30, 2015 and 2014, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to both Organizations' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of both Organizations' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Marian High School, Inc. and Development of Marian Education, Inc. as of June 30, 2015 and 2014, and the combined changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

December 4, 2015

McCarthy, Hargrave & Co.

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

Combined Statements of Financial Position

	June 30,	
	2015	2014
ASSETS		
Current Assets:		
Cash	\$ 374,586	\$ 483,735
Fees and Tuition Receivable, Net	59,086	51,163
Accounts Receivable, Other	6,008	8,171
Prepaid Expenses	1,570	7,020
TOTAL CURRENT ASSETS	441,250	550,089
Other Assets:		
Investment Cash	22,832	27,629
Marketable Securities	251,577	288,594
Property and Equipment, Net	202,447	251,681
TOTAL ASSETS	\$ 918,106	\$ 1,117,993
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 9,436	\$ 28,746
Accrued Payroll and Other Liabilities	271,195	272,924
Fees and Tuition Received in Advance	472,215	512,875
Capital Lease, Short-Term Portion	6,153	5,526
Note Payable, Short Term Portion	10,310	8,796
TOTAL CURRENT LIABILITIES	769,309	828,867
Long-Term Obligations:		
Capital Lease, Long-Term Portion	5,615	12,254
Note Payable, Long-Term Portion	894	11,204
TOTAL LONG-TERM OBLIGATIONS	6,509	23,458
Net Assets:		
Unrestricted Deficit	(135,962)	(61,921)
Temporarily Restricted	273,250	322,589
Permanently Restricted	5,000	5,000
TOTAL NET ASSETS	142,288	265,668
TOTAL LIABILITIES AND NET ASSETS	\$ 918,106	\$ 1,117,993

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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Changes in Unrestricted Net Assets:		
Support and Revenues:		
Tuition and Fees	\$ 2,529,287	\$ 2,685,169
Contributions	730,505	623,628
Catholic Schools Foundation	67,264	70,724
Auxiliary Services	66,010	80,241
Athletic Income	14,742	34,770
Rental Income	6,463	3,150
Miscellaneous Income	92,402	89,135
Net Assets Released From Restrictions :		
For Scholarships and Financial Aid	73,887	30,815
Total Unrestricted Support and Revenues	<u>3,580,560</u>	<u>3,617,632</u>
Expenses:		
Educational	2,178,069	2,204,336
Institutional	867,467	799,150
Operations and Maintenance	450,533	509,034
Fundraising	100,091	127,479
Depreciation	58,441	69,040
Total Expenses	<u>3,654,601</u>	<u>3,709,039</u>
Decrease in Unrestricted Net Assets	<u>(74,041)</u>	<u>(91,407)</u>
Changes in Temporarily Restricted Net Assets:		
Contributions	22,174	24,132
Investment Income	16,215	16,101
Realized Gains on Marketable Securities	5,240	712
Unrealized (Losses) Gains on Marketable Securities	(19,081)	17,897
Net Assets Released From Restrictions:		
For Scholarships and Financial Aid	(73,887)	(30,815)
Decrease in Temporarily Restricted Net Assets	<u>(49,339)</u>	<u>28,027</u>
Change in Net Assets	(123,380)	(63,380)
Net Assets, Beginning of Year	<u>265,668</u>	<u>329,048</u>
Net Assets, End of Year	<u>\$ 142,288</u>	<u>\$ 265,668</u>

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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Change in Net Assets	(\$ 123,380)	(\$ 63,380)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	58,441	69,040
Realized Gains on Marketable Securities	(5,240)	(712)
Unrealized (Gains) Losses on Marketable Securities	19,081	(17,897)
Increase (Decrease in Cash from Changes in:		
Tuition and Fees Receivable	(7,923)	(29,124)
Accounts Receivable, Other	2,163	(8,171)
Prepaid Expenses	5,450	(5,385)
Accounts Payable	(19,310)	19,564
Accrued Payroll and Other Liabilities	(1,729)	(14,608)
Tuition and Fees Received in Advance	(40,660)	207,834
Net Cash (Used) Provided by Operating Activities	<u>(113,107)</u>	<u>157,161</u>
Cash Flows From Investing Activities:		
(Decrease) Increase in Investment Cash	4,797	(12,729)
Purchases of Marketable Securities	(15,376)	(15,325)
Proceeds from Sales of Marketable Securities	38,552	20,000
Expenditures for Property and Equipment	(9,207)	(23,583)
Net Cash Provided (Used) by Investing Activities	<u>18,766</u>	<u>(31,637)</u>
Cash Flows From Financing Activities:		
Line of Credit and Note Payable Payments	(8,796)	(37,875)
Reduction of Capitalized Lease Obligation	(6,012)	(7,549)
Net Cash Used by Financing Activities	<u>(14,808)</u>	<u>(45,424)</u>
Net (Decrease) Increase in Cash	(109,149)	80,100
Cash at Beginning of Year	<u>483,735</u>	<u>403,735</u>
Cash at End of Year	<u>\$ 374,586</u>	<u>\$ 483,735</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	<u>\$ 2,728</u>	<u>\$ 919</u>
Non-Cash Investing and Financing Activities:		
Equipment Acquired By Capital Lease	<u>\$ -</u>	<u>\$ 18,216</u>
Equipment Acquired Through Note Payable	<u>\$ -</u>	<u>\$ 20,000</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, 2015 and 2014

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. Temporarily restricted contributions that are received and used in the same year are included in unrestricted contributions on the combined statements of activities.

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, 2015 and 2014, the allowance for doubtful accounts was \$ 41,000 and \$ 52,512, respectively.

Property and Equipment - Building 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, 2015 and 2014

(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. Investments are held by Fidelity Investments and the Roman Catholic Archdiocese of Boston Common Investment Fund as of June 30, 2015 and 2014.

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.

Retirement Plan Expense - The School's policy is to fund retirement plan expenses as incurred.

Marketing Expenses - The School expenses marketing expenses as incurred. Such expenses amounted to \$ 4,612 and \$ 6,600 for the years ended June 30, 2015 and 2014, 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. 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, 2015 and 2014

(Continued)

B. Marketable Securities:

	June 30, 2015		June 30, 2014	
	Original Cost	Quoted Market	Original Cost	Quoted Market
Money Market	\$ 2	\$ 2	\$ 17	\$ 17
Mutual Funds:				
Strategic Income	105,807	103,877	106,311	110,462
Other Funds	132,764	147,698	150,181	178,115
	<u>\$ 238,573</u>	<u>\$ 251,577</u>	<u>\$ 256,509</u>	<u>\$ 288,594</u>
Temporarily Restricted	\$ 233,573	\$ 246,577	\$ 251,509	\$ 283,594
Permanently Restricted	5,000	5,000	5,000	5,000
	<u>\$ 238,573</u>	<u>\$ 251,577</u>	<u>\$ 256,509</u>	<u>\$ 288,594</u>

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

C. Property and Equipment:

Property and equipment consists of the following:

	June 30,	
	2015	2014
Furniture, Fixtures and Equipment	\$ 463,555	\$ 454,348
Building Improvements	122,554	122,554
Vehicles	26,616	26,616
	<u>612,725</u>	<u>603,518</u>
Less Accumulated Depreciation	<u>410,278</u>	<u>351,837</u>
	<u>\$ 202,447</u>	<u>\$ 251,681</u>

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

Notes to Combined Financial Statements

For The Years Ended June 30, 2015 and 2014

(Continued)

D. Line of Credit:

The School has 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. On or before June 30, 2018, both parties may agree to terminate, extend, or otherwise modify this agreement. The balance outstanding as of June 30, 2015 and 2014 on the line of credit was \$ 0. Interest expense amounted to \$ 0 and \$ 412 for the years ended June 30, 2015 and 2014, respectively.

E. Long-Term Debt:

The following is a summary of long-term debt:

	<u>2015</u>	<u>2014</u>
Note payable to a private corporation in monthly installments of \$ 900 including interest at 7.5% until July 31, 2016. The note is secured by office equipment with a carrying value of \$ 14,083 at June 30, 2015.	\$ 11,204	\$ 20,000
Less current maturities included in current liabilities	<u>10,310</u>	<u>8,796</u>
	<u>\$ 894</u>	<u>\$ 11,204</u>

The scheduled maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Note Payable</u>
2016	\$ 10,310
2017	<u>894</u>
	<u>\$ 11,204</u>

Interest expense amounted to \$ 1,110 and \$ 0 for the years ended June 30, 2015 and 2014, respectively.

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

Notes to Combined Financial Statements

For The Years Ended June 30, 2015 and 2014

(Continued)

F. Capital Lease Obligation:

The School leases office equipment. The lease is payable in monthly installments of \$ 587 through May 2017 with interest at 9.96%. Interest expense attributed to leases amounted to \$ 1,618 and \$ 507 for the years ended June 30, 2015 and 2014, respectively.

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

Fiscal Years Ending June 30:	
2016	\$ 7,049
2017	5,875
	<hr/>
	12,924
Less Amount Representing Interest	<hr/>
	1,156
Present Value of Minimum Capitalized Lease Payments	<hr/>
	\$ 11,768
Short-Term Portion Included in Current Liabilities	<hr/>
	\$ 6,153
The Asset Acquired through this Capital Lease is as follows:	
Office Equipment	\$ 18,216
Less Accumulated Depreciation	<hr/>
	9,109
	<hr/>
	\$ 9,107

G. Retirement Plan:

The School participates in the Roman Catholic Archdiocese of Boston's contributory tax-sheltered annuity plan which covers substantially all full-time personnel who have completed one year of service. This plan became effective January 1, 2012. For the year ended June 30, 2014, the School made a voluntary contribution of 1% plus 50% of the first 2% of employee contributions (maximum of 2%). For the year ended June 30, 2015 and for future years the School will make a voluntary contribution of 50% of the first 4% of employee contributions (maximum of 2%). For the years ended June 30, 2015 and 2014, the contributions amounted to \$ 20,663 and \$ 21,406, respectively.

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

Notes to Combined Financial Statements

For The Years Ended June 30, 2015 and 2014

(Continued)

H. Multiple-Employer Pension Plan:

The School participates in the multiple-employer pension plan of the Roman Catholic Archdiocese of Boston Pension Plan.

The original effective date of the Plan was January 1, 1963. The Plan was last amended and restated effective January 1, 2011.

The Plan is noncontributory (while no employee contributions are currently made, the Plan document suggests that there were such contributions for 1976) defined benefit pension plan covering substantially all lay employees who work for a participating employer. All participating employers are separately incorporated Catholic organizations, the majority of which operate within the Archdiocese of Boston. The Plan provides benefits for normal, early, disability, and postponed retirement.

Effective December 31, 2011, the Plan was frozen and no additional benefits will accrue.

The following information is presented based upon the most recent audited financial statements of the Plan.

	June 30,	
	2014	2013
Total Actuarial Present Value of Accumulated Plan Benefits	\$ 247,003,684	\$ 256,195,197
Net Assets Available for Benefits	224,816,420	213,669,880
Actuarial Present Value of Accumulated Plan Benefits in Excess of Net Assets Available for Benefits	<u>\$ 22,187,264</u>	<u>\$ 42,525,317</u>
% Funded	91.02%	83.40%
Participating Employer Contributions	\$ 9,095,474	\$ 7,898,569
School Contributions	\$ 78,456	\$ 90,023

Additional information may be obtained by writing to the Plan at 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, 2015 and 2014

(Continued)

I. 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.

J. 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 and 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.

K. Temporarily Restricted Net Assets:

DOME's temporarily restricted net assets are available for financial aid for Marian High School students and for operations at Marian High School. Temporarily restricted net assets are available for the following purposes:

	June 30,	
	2015	2014
Financial Aid Only	\$ 57,289	\$ 65,248
Financial Aid or Operations	215,961	257,341
	<u>\$ 273,250</u>	<u>\$ 322,589</u>

L. 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.

The donor's permanent restrictions require that \$ 5,000 of principal as of June 30, 2015 and 2014 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, 2015 and 2014

(Continued)

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

The following summarizes the changes in Endowment Funds:

	Year Ended June 30,	
	2015	2014
Beginning Balance	\$ 5,000	\$ 5,000
Investment Income	250	250
Appropriation of Endowment – Temporarily Restricted Scholarships	(250)	(250)
Ending Balance	<u>\$ 5,000</u>	<u>\$ 5,000</u>

M. Lease Agreement:

Marian High School, Inc. leases the school property under a lease agreement dated 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 \$ 329,064 and \$ 364,873 for the years ended June 30, 2015 and 2014, respectively.

N. 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 December 4, 2015, the date the combined financial statements were available to be issued. No material subsequent events have occurred since June 30, 2015 that required recognition or disclosure in these combined financial statements.

Independent Auditors' Report On Additional Information

Our audits were made for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The additional information on pages fifteen through twenty-two 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.

December 4, 2015

McCarthy, Hargrave & Co.

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

Combining Statements of Financial Position

June 30, 2015

ASSETS	<u>Combined</u>	<u>Marian High School, Inc.</u>	<u>DOME</u>
Current Assets:			
Cash	\$ 374,586	\$ 69,111	\$ 305,475
Fees and Tuition Receivable, Net	59,086	59,086	
Account Receivable, Other	6,008	6,008	
Prepaid Expenses	1,570	1,570	
Total Current Assets	<u>441,250</u>	<u>135,775</u>	<u>305,475</u>
Other Assets:			
Investment Cash	22,832	22,832	
Marketable Securities	251,577		251,577
Property and Equipment, Net	202,447	202,447	
Total Assets	<u>\$ 918,106</u>	<u>\$ 361,054</u>	<u>\$ 557,052</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	\$ 9,436	\$ 9,436	\$ -
Accrued Payroll and Other Liabilities	271,195	271,195	
Fees and Tuition Received in Advance	472,215	261,020	211,195
Capital Lease, Short-Term Portion	6,153	6,153	
Note Payable, Short-Term Portion	10,310	10,310	
Total Current Liabilities	<u>769,309</u>	<u>558,114</u>	<u>211,195</u>
Long-Term Obligations:			
Note Payable, Long-Term Portion	894	894	
Capital Lease, Long-Term Portion	5,615	5,615	
Total Long-Term Obligations	<u>6,509</u>	<u>6,509</u>	<u>-</u>
Net Assets:			
Unrestricted (Deficit)	(135,962)	(203,569)	67,607
Temporarily Restricted	273,250		273,250
Permanently Restricted	5,000		5,000
Total Net Assets	<u>142,288</u>	<u>(203,569)</u>	<u>345,857</u>
Total Liabilities and Net Assets	<u>\$ 918,106</u>	<u>\$ 361,054</u>	<u>\$ 557,052</u>

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

Combining Statements of Financial Position

June 30, 2014

ASSETS	<u>Combined</u>	<u>Marian High School, Inc.</u>	<u>DOME</u>
Current Assets:			
Cash	\$ 483,735	\$ 187,381	\$ 296,354
Fees and Tuition Receivable, Net	51,163	51,163	
Account Receivable, Other	8,171	8,171	
Prepaid Expenses	7,020	7,020	
Total Current Assets	<u>550,089</u>	<u>253,735</u>	<u>296,354</u>
Other Assets:			
Investment Cash	27,629		27,629
Marketable Securities	288,594		288,594
Property and Equipment, Net	251,681	251,681	
Total Assets	<u>\$ 1,117,993</u>	<u>\$ 505,416</u>	<u>\$ 612,577</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	\$ 28,746	\$ 28,746	\$ -
Accrued Payroll and Other Liabilities	272,924	272,924	
Fees and Tuition Received in Advance	512,875	284,135	228,740
Capital Lease, Short-Term Portion	5,526	5,526	
Note Payable, Short-Term Portion	8,796	8,796	
Total Current Liabilities	<u>828,867</u>	<u>600,127</u>	<u>228,740</u>
Long-Term Obligations:			
Note Payable, Long-Term Portion	11,204	11,204	
Capital Lease, Long-Term Portion	12,254	12,254	
Total Long-Term Obligations	<u>23,458</u>	<u>23,458</u>	<u>-</u>
Net Assets:			
Unrestricted (Deficit)	(61,921)	(118,169)	56,248
Temporarily Restricted	322,589		322,589
Permanently Restricted	5,000		5,000
Total Net Assets	<u>265,668</u>	<u>(118,169)</u>	<u>383,837</u>
Total Liabilities and Net Assets	<u>\$ 1,117,993</u>	<u>\$ 505,416</u>	<u>\$ 612,577</u>

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

Combining Statements of Activities

For The Year Ended June 30, 2015

	Combined	Elimination	Marian High School, Inc.	DOME
Changes in Unrestricted Net Assets:				
Support and Revenues:				
Tuition and Fees	\$ 2,529,287	\$ -	\$ 2,529,287	\$ -
Contributions	730,505 (A)	(289,951)	719,146	301,310
Catholic Schools Foundation	67,264		67,264	
Auxiliary Services	66,010		66,010	
Athletic Income	14,742		14,742	
Rental Income	6,463		6,463	
Miscellaneous Income	92,402		92,402	
Net Assets Released From Restrictions:				
For Scholarships and Financial Aid	73,887		73,887	
Total Unrestricted Support and Revenues	3,580,560	(289,951)	3,569,201	301,310
Expenses:				
Educational	2,178,069		2,178,069	
Institutional	867,467		867,467	
Operations and Maintenance	450,533		450,533	
Fundraising	100,091		100,091	
Financial Aid	-	(A) (289,951)		289,951
Depreciation	58,441		58,441	
Total Expenses	3,654,601	(289,951)	3,654,601	289,951
(Decrease) Increase In Unrestricted Net Assets	(74,041)	-	(85,400)	11,359
Changes in Temporarily Restricted Net Assets:				
Contributions	22,174			22,174
Investment Income	16,215			16,215
Realized Gains on Marketable Securities	5,240			5,240
Unrealized Losses on Marketable Securities	(19,081)			(19,081)
Net Assets Released From Restrictions:				
For Scholarships and Financial Aid	(73,887)			(73,887)
Decrease in Temporarily Restricted Net Assets	(49,339)	-	-	(49,339)
Change in Net Assets	(123,380)	-	(85,400)	(37,980)
Net Assets (Deficit), Beginning of Year	265,668	-	(118,169)	383,837
Net Assets (Deficit), End of Year	\$ 142,288	\$ -	(\$ 203,569)	\$ 345,857

(A) Elimination of Contributions and Scholarships and Financial Aid

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

Combining Statements of Activities

For The Year Ended June 30, 2014

	Combined	Elimination	Marian High School, Inc.	DOME
Changes in Unrestricted Net Assets:				
Support and Revenues:				
Tuition and Fees	\$ 2,685,169		\$ 2,685,169	\$ -
Contributions	623,628	(A) (291,185)	641,060	273,753
Catholic Schools Foundation	70,724		70,724	
Auxiliary Services	80,241		80,241	
Athletic Income	34,770		34,770	
Rental Income	3,150		3,150	
Miscellaneous Income	89,135		89,135	
Net Assets Released From Restrictions:				
For Scholarships and Financial Aid	30,815		30,815	
Total Unrestricted Support and Revenues	3,617,632	(291,185)	3,635,064	273,753
Expenses:				
Educational	2,204,336		2,204,336	
Institutional	799,150		799,150	
Operations and Maintenance	509,034		509,034	
Fundraising	127,479		127,479	
Financial Aid	-	(A) (291,185)		291,185
Depreciation	69,040		69,040	
Total Expenses	3,709,039	(291,185)	3,709,039	291,185
Decrease In Unrestricted Net Assets	(91,407)	-	(73,975)	(17,432)
Changes in Temporarily Restricted Net Assets:				
Contributions	24,132			24,132
Investment Income	16,101			16,101
Realized Gains on Marketable Securities	712			712
Unrealized Gains on Marketable Securities	17,897			17,897
Net Assets Released From Restrictions:				
For Scholarships and Financial Aid	(30,815)			(30,815)
Increase in Temporarily Restricted Net Assets	28,027	-	-	28,027
Change in Net Assets	(63,380)		(73,975)	10,595
Net Assets (Deficit), Beginning of Year	329,048		(44,194)	373,242
Net Assets (Deficit), End of Year	\$ 265,668	\$ -	(\$ 118,169)	\$ 383,837

(A) Elimination of Contributions and Scholarships and Financial Aid

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

Combining Statements of Cash Flows

For The Year Ended June 30, 2015

	Combined	Marian High School, Inc.	DOME
Cash Flows From Operating Activities:			
Change in Net Assets	(\$ 123,380)	(\$ 85,400)	(\$ 37,980)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation	58,441	58,441	
Realized Gains on Marketable Securities	(5,240)		(5,240)
Unrealized Losses on Marketable Securities	19,081		19,081
Fees and Tuition Receivable	(7,923)	(7,923)	
Accounts Receivable, Other	2,163	2,163	
Prepaid Expenses	5,450	5,450	
Accounts Payable	(19,310)	(19,310)	
Accrued Payroll and Other Liabilities	(1,729)	(1,729)	
Fees and Tuition Received in Advance	(40,660)	(23,115)	(17,545)
Net Cash Used by Operating Activities	(113,107)	(71,423)	(41,684)
Cash Flows From Investing Activities:			
Decrease (Increase) in Investment Cash	4,797	(22,832)	27,629
Purchase of Marketable Securities	(15,376)		(15,376)
Proceeds from Sales of Marketable Securities	38,552		38,552
Expenditures for Property and Equipment	(9,207)	(9,207)	
Net Cash Used by Investing Activities	18,766	(32,039)	50,805
Cash Flows From Financing Activities:			
Note Payable Payments	(8,796)	(8,796)	
Reduction of Capitalized Lease Obligation	(6,012)	(6,012)	
Net Cash Used by Financing Activities	(14,808)	(14,808)	-
Net (Decrease) Increase in Cash	(109,149)	(118,270)	9,121
Cash at Beginning of Year	483,735	187,381	296,354
Cash at End of Year	\$ 374,586	\$ 69,111	\$ 305,475
Supplemental Disclosure of Cash Flow Information:			
Cash Paid During the Year for:			
Interest	\$ 2,728	\$ 2,728	\$ -

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

Combining Statements of Cash Flows

For The Year Ended June 30, 2014

	Combined	Marian High School, Inc.	DOME
Cash Flows From Operating Activities:			
Change in Net Assets	(\$ 63,380)	(\$ 73,975)	\$ 10,595
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation	69,040	69,040	
Realized Gains on Marketable Securities	(712)		(712)
Unrealized Gains on Marketable Securities	(17,897)		(17,897)
Fees and Tuition Receivable	(29,124)	(29,124)	
Accounts Receivable, Other	(8,171)	(8,171)	
Prepaid Expenses	(5,385)	(5,385)	
Accounts Payable	19,564	19,564	
Accrued Payroll and Other Liabilities	(14,608)	(14,608)	
Fees and Tuition Received in Advance	207,834	228,350	(20,516)
Net Cash Provided (Used) by Operating Activities	157,161	185,691	(28,530)
Cash Flows From Investing Activities:			
Increase in Investment Cash	(12,729)		(12,729)
Purchase of Marketable Securities	(15,325)		(15,325)
Proceeds from Sales of Marketable Securities	20,000		20,000
Expenditures for Property and Equipment	(23,583)	(23,583)	
Net Cash Used by Investing Activities	(31,637)	(23,583)	(8,054)
Cash Flows From Financing Activities:			
Line of Credit Payments	(37,875)	(37,875)	
Reduction of Capitalized Lease Obligation	(7,549)	(7,549)	
Net Cash Used by Financing Activities	(45,424)	(45,424)	-
Net Increase (Decrease) in Cash	80,100	116,684	(36,584)
Cash at Beginning of Year	403,635	70,697	332,938
Cash at End of Year	\$ 483,735	\$ 187,381	\$ 296,354
Supplemental Disclosure of Cash Flow Information:			
Cash Paid During the Year for:			
Interest	\$ 919	\$ 919	\$ -
Non-Cash Investing and Financing Activities:			
Equipment Acquired By Capital Lease	\$ 18,216	\$ 18,216	\$ -
Equipment Acquired Through Note Payable	\$ 20,000	\$ 20,000	\$ -

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

Details of Educational Expenses

	June 30,	
	2015	2014
Teachers' Salaries	\$ 1,056,710	\$ 1,082,878
Athletic Salaries	161,131	144,596
Guidance Salaries	127,740	136,936
Library Salaries	42,489	41,011
Cafeteria Salaries	32,837	39,019
Payroll Taxes	104,437	100,103
Health Insurance	144,794	115,359
Retirement Plan Expense	69,216	70,613
Employee Benefits	72,675	47,883
Nurse	6,515	5,737
Workshop and Seminars	7,549	10,211
Testing	11,295	12,497
Student Activities	70,642	77,217
Dues and Subscriptions	6,151	7,510
Supplies	7,120	10,757
Computer Supplies	34,176	31,891
Copier Maintenance and Usage	16,746	15,804
Books and Merchandise	23,364	25,349
English	4,567	2,058
Mathematics	468	1,066
Science	2,159	5,603
Social Studies	884	852
Religion	55	1,693
Language	90	666
Fine Arts	1,261	3,160
Virtual High School	11,900	12,050
Guidance	1,283	4,761
Library	3,049	4,007
Athletic Programs	86,658	112,805
Cafeteria	70,108	80,244
	<u>\$ 2,178,069</u>	<u>\$ 2,204,336</u>

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

Details of Expenses

Institutional	June 30,	
	2015	2014
Administrative and Support Salaries	\$ 500,727	\$ 416,461
Religious Salaries	70,132	115,046
Payroll Taxes	36,803	36,835
Health Insurance	58,172	42,448
Retirement Plan Expense	27,808	25,983
Employee Benefits	11,500	8,051
Marketing	4,612	6,600
Admissions	34,794	14,494
Professional Services	8,037	7,037
Office Supplies	3,076	3,783
Computer Supplies	14,765	11,216
Copier Maintenance and Usage	7,234	5,558
Postage	14,569	13,778
Payroll Service Fees	5,841	5,912
Bank Charges	7,418	9,320
Interest Expense	2,728	919
Bad Debts Provision	48,207	62,517
Miscellaneous	11,044	13,192
	\$ 867,467	\$ 799,150

Operations And Maintenance	June 30,	
	2015	2014
Salaries	\$ 43,003	\$ 66,812
Payroll Taxes	3,105	4,630
Health Insurance	4,382	4,445
Retirement Plan Expense	2,095	3,266
Employee Benefits	866	-
Utilities and Fuel	137,847	127,294
Repairs And Services	191,217	237,579
Gas and Maintenance of Vehicles	32,377	32,082
Insurance	35,641	32,926
	\$ 450,533	\$ 509,034