

**MARIAN HIGH SCHOOL, INC.  
AND  
DEVELOPMENT OF MARIAN EDUCATION, INC.  
Combined Financial Statements and Additional Information  
For The Years Ended June 30, 2013 and 2012  
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, 2013 and 2012**

**and Independent Auditors' Report**

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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, 2013 and 2012, 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 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 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 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, 2013 and 2012, and the combined changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

October 21, 2013

*McCarthy, Hargrave & Co.*

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

Combined Statements of Financial Position

	June 30,	
	2013	2012
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 403,635	\$ 298,059
Fees and Tuition Receivable, Net	22,039	24,055
Accounts Receivable, Other	-	6,393
Prepaid Expenses	1,635	19,544
<b>TOTAL CURRENT ASSETS</b>	<b>427,309</b>	<b>348,051</b>
<b>Other Assets:</b>		
Investment Cash	14,900	12,173
Marketable Securities	274,660	274,950
Property and Equipment, Net	258,922	279,385
<b>TOTAL ASSETS</b>	<b>\$ 975,791</b>	<b>\$ 914,559</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 9,182	\$ 32,048
Accrued Payroll and Other Liabilities	287,532	271,374
Fees and Tuition Received in Advance	305,041	375,898
Capital Lease, Short-Term Portion	7,113	13,073
Line of Credit	37,875	42,125
<b>TOTAL CURRENT LIABILITIES</b>	<b>646,743</b>	<b>734,518</b>
<b>Long-Term Obligations:</b>		
Capital Lease – Long-Term Portion	-	7,112
Line of Credit	-	37,875
<b>TOTAL LONG-TERM OBLIGATIONS</b>	<b>-</b>	<b>44,987</b>
<b>Net Assets:</b>		
Unrestricted (Deficit)	29,486	(152,069)
Temporarily Restricted	294,562	282,123
Permanently Restricted	5,000	5,000
<b>TOTAL NET ASSETS</b>	<b>329,048</b>	<b>135,054</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 975,791</b>	<b>\$ 914,559</b>

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, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Changes in Unrestricted Net Assets:</b>		
<b>Support and Revenues:</b>		
Tuition and Fees	\$ 2,785,975	\$ 2,601,031
Contributions	656,445	589,489
Catholic Schools Foundation	74,422	123,108
Auxiliary Services	78,542	74,002
Athletic Income	49,018	39,714
Rental Income	1,575	5,567
Miscellaneous Income	92,068	98,532
<b>Net Assets Released From Restrictions :</b>		
For Financial Aid	26,750	42,001
<b>Total Unrestricted Support and Revenues</b>	<u>3,764,795</u>	<u>3,573,444</u>
<b>Expenses:</b>		
Educational	2,237,661	2,223,335
Institutional	767,056	698,056
Operations and Maintenance	414,448	411,413
Fundraising	108,882	114,127
Depreciation	55,193	54,448
<b>Total Expenses</b>	<u>3,583,240</u>	<u>3,501,379</u>
<b>Increase in Unrestricted Net Assets</b>	<u>181,555</u>	<u>72,065</u>
<b>Changes in Temporarily Restricted Net Assets:</b>		
Contributions	20,952	24,106
Investment Income	12,514	13,930
Realized Gains on Marketable Securities	2,458	542
Unrealized Gains (Losses) on Marketable Securities	6,265	(6,069)
<b>Net Assets Released From Restrictions:</b>		
For Financial Aid	(29,750)	(42,001)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>12,439</u>	<u>(9,492)</u>
<b>Change in Net Assets</b>	193,994	62,573
<b>Net Assets, Beginning of Year</b>	<u>135,054</u>	<u>72,481</u>
<b>Net Assets, End of Year</b>	<u>\$ 329,048</u>	<u>\$ 135,054</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, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets	\$ 193,994	\$ 62,573
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	55,193	54,448
Realized Gains on Marketable Securities	(2,458)	(542)
Unrealized (Gains) Losses on Marketable Securities	(6,265)	6,069
Fees and Tuition Receivable	2,016	5,177
Prepaid Expenses	17,909	(6,393)
Accounts Receivable, Other	6,393	(18,544)
Accounts Payable	(22,866)	(41,313)
Accrued Payroll and Other Liabilities	16,158	46,374
Fees and Tuition Received in Advance	(70,857)	99,101
<b>Net Cash Provided by Operating Activities</b>	<u>189,217</u>	<u>206,950</u>
<b>Cash Flows From Investing Activities:</b>		
Increase in Investment Cash	(2,727)	4,497
Purchases of Marketable Securities	(12,003)	(13,532)
Proceeds from Sales of Marketable Securities	21,016	13,000
Expenditures for Property and Equipment	(34,730)	(87,420)
<b>Net Cash Used by Investing Activities</b>	<u>(28,444)</u>	<u>(83,455)</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds From Line of Credit	-	80,000
Line of Credit Payments	(42,125)	(50,000)
Reduction of Capitalized Lease Obligation	(13,072)	(11,675)
<b>Net Cash (Used) Provided by Financing Activities</b>	<u>(55,197)</u>	<u>18,325</u>
<b>Net Increase in Cash</b>	105,576	141,820
<b>Cash at Beginning of Year</b>	<u>298,059</u>	<u>156,239</u>
<b>Cash at End of Year</b>	<u>\$ 403,635</u>	<u>\$ 298,059</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
<b>Cash Paid During the Year for:</b>		
Interest	<u>\$ 2,789</u>	<u>\$ 3,475</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, 2013 and 2012

### 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, 2013 and 2012, the allowance for doubtful accounts was \$ 35,000 and \$ 27,000, 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, 2013 and 2012

(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 \$ 269,329) and the Roman Catholic Archdiocese of Boston Common Investment Fund (market value \$ 5,331) as of June 30, 2013.

**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 \$ 7,621 and \$ 7,505 for the years ended June 30, 2013 and 2012, 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, 2013 and 2012

(Continued)

**B. Marketable Securities:**

	June 30, 2013		June 30, 2012	
	Original Cost	Quoted Market	Original Cost	Quoted Market
Money Market	\$ 17	\$ 17	\$ 17	\$ 17
Mutual Funds:				
Strategic Income	106,621	107,353	109,420	111,868
Other Funds	153,834	167,290	157,590	163,065
	<u>\$ 260,472</u>	<u>\$ 274,660</u>	<u>\$ 267,027</u>	<u>\$ 274,950</u>
Temporarily Restricted	\$ 255,472	\$ 269,660	\$ 262,027	\$ 269,950
Permanently Restricted	5,000	5,000	5,000	5,000
	<u>\$ 260,472</u>	<u>\$ 274,660</u>	<u>\$ 267,027</u>	<u>\$ 274,950</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,	
	2013	2012
Furniture, Fixtures and Equipment	\$ 392,549	\$ 367,691
Building Improvements	122,554	112,682
Vehicles	26,616	26,616
	<u>541,719</u>	<u>506,989</u>
Less Accumulated Depreciation	<u>282,797</u>	<u>227,604</u>
	<u>\$ 258,922</u>	<u>\$ 279,385</u>

**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. This line of credit is available to the School until June 30, 2015 by which time any outstanding amount is to be paid. On or before January 31, 2015, both parties may agree to terminate, extend, or otherwise modify this agreement.

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

**Notes to Combined Financial Statements**

**For The Years Ended June 30, 2013 and 2012**

**(Continued)**

**D. Line of Credit (Continued):**

The balance outstanding as of June 30, 2013 and 2012 on the line of credit was \$37,875 and \$ 80,000, respectively. During 2012, the School used the line of credit to convert from an oil furnace to a gas furnace, repayment of the line of credit was scheduled over a two year period. Interest expense amounted to \$ 1,161 and \$ 449 for the years ended June 30, 2013 and 2012, respectively.

**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, 2013 and 2012 amounted to \$ 1,628 and \$ 3,026, respectively.

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

Year Ending June 30, 2014	\$ 7,350
Less Amount Representing Interest	<u>237</u>
Present Value of Minimum Capitalized Lease Payments	<u>\$ 7,113</u>
Short-Term Portion Included in Current Liabilities	<u>\$ 7,113</u>

The Asset Acquired through this Capital Lease is as follows:

Office Equipment	\$ 47,070
Less Accumulated Depreciation	<u>23,535</u>
	<u>\$ 23,535</u>

**F. 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. The School made a voluntary contribution of 2% for the year ended June 30, 2013. The amount of the contribution was \$ 22,512. For the year ending June 30, 2014 the School will make a voluntary contribution of 1% plus 50% of the first 2% of employee contributions (maximum of 2%). For the years ending 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%).

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

**Notes to Combined Financial Statements**

**For The Years Ended June 30, 2013 and 2012**

**(Continued)**

**G. Multiemployer Pension Plan:**

The School participates in the multiemployer 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 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.

	<u>June 30,</u>	
	<u>2012</u>	<u>2011</u>
Total Actuarial Present Value of Accumulated Plan Benefits	\$ 260,713,665	\$ 328,906,969
Net Assets Available for Benefits	207,943,142	284,475,684
Actuarial Present Value of Accumulated Plan Benefits in Excess of Net Assets Available for Benefits	<u>\$ 52,770,523</u>	<u>\$ 44,431,285</u>
% Funded	79.76%	86.49%
Participating Employer Contributions	\$ 10,240,956	\$ 12,606,840
School Contributions (\$ 90,023 for 2013)	\$ 91,968	\$ 86,527

Additional information may be obtained by writing to the Plan at 66 Brooks Drive, Braintree, Massachusetts 02184.

**H. 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.

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

## Notes to Combined Financial Statements

For The Years Ended June 30, 2013 and 2012

(Continued)

### I. 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.

### J. 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,	
	2013	2012
Financial Aid Only	\$ 62,344	\$ 54,531
Financial Aid or Operations	232,218	227,592
	<u>\$ 294,562</u>	<u>\$ 282,123</u>

### K. 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, 2013 and 2012 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, 2013 and 2012**

**(Continued)**

**K. Changes in Permanently Restricted Net Assets (Continued):**

The following summarizes the changes in Endowment Funds:

	<b>Year Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
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>

**L. 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 \$ 313,870 and \$ 305,574 for the years ended June 30, 2013 and 2012, respectively.

**M. 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 October 21, 2013, the date the combined financial statements were available to be issued. No material subsequent events have occurred since June 30, 2013 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 fourteen through twenty-one 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.

October 21, 2013

*McCarthy, Hargrave & Co.*

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

**Combining Statements of Financial Position**

**June 30, 2013**

<b>ASSETS</b>	<b>Combined</b>	<b>Marian High School, Inc.</b>	<b>DOME</b>
<b>Current Assets:</b>			
Cash	\$ 403,635	\$ 70,697	\$ 332,938
Fees and Tuition Receivable, Net	22,039	22,039	
Prepaid Expenses	1,635	1,635	
<b>Total Current Assets</b>	<b>427,309</b>	<b>94,371</b>	<b>332,938</b>
<b>Other Assets:</b>			
Investment Cash	14,900		14,900
Marketable Securities	274,660		274,660
Property and Equipment, Net	258,922	258,922	
<b>Total Assets</b>	<b>\$ 975,791</b>	<b>\$ 353,293</b>	<b>\$ 622,498</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 9,182	\$ 9,182	\$ -
Accrued Payroll and Other Liabilities	287,532	287,532	
Fees and Tuition Received in Advance	305,041	55,785	249,256
Capital Lease, Short-Term Portion	7,113	7,113	
Line of Credit	37,875	37,875	
<b>Total Current Liabilities</b>	<b>646,743</b>	<b>397,487</b>	<b>249,256</b>
<b>Net Assets:</b>			
Unrestricted (Deficit)	29,486	(44,194)	73,680
Temporarily Restricted	294,562		294,562
Permanently Restricted	5,000		5,000
<b>Total Net Assets</b>	<b>329,048</b>	<b>(44,194)</b>	<b>373,242</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 975,791</b>	<b>\$ 353,293</b>	<b>\$ 622,498</b>



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

Combining Statements of Financial Position

June 30, 2012

ASSETS	Combined	Marian High School, Inc.	DOME
<b>Current Assets:</b>			
Cash	\$ 298,059	\$ 75,703	\$ 222,356
Fees and Tuition Receivable, Net	24,055	24,055	
Accounts Receivable, Other	6,393	6,393	
Prepaid Expenses	19,544	19,544	
<b>Total Current Assets</b>	<b>348,051</b>	<b>125,695</b>	<b>222,356</b>
<b>Other Assets:</b>			
Investment Cash	12,173		12,173
Marketable Securities	274,950		274,950
Property and Equipment, Net	279,385	279,385	
<b>Total Assets</b>	<b>\$ 914,559</b>	<b>\$ 405,080</b>	<b>\$ 509,479</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 32,048	\$ 32,048	\$ -
Accrued Payroll and Other Liabilities	271,374	271,374	
Fees and Tuition Received in Advance	375,898	176,913	198,985
Capital Lease, Short-Term Portion	13,073	13,073	
Line of Credit	42,125	42,125	
<b>Total Current Liabilities</b>	<b>734,518</b>	<b>535,533</b>	<b>198,985</b>
<b>Long-Term Obligations:</b>			
Capital Lease – Long-Term Portion	7,112	7,112	
Line of Credit	37,875	37,875	
<b>TOTAL LONG-TERM OBLIGATIONS</b>	<b>44,987</b>	<b>44,987</b>	<b>-</b>
<b>Net Assets:</b>			
Unrestricted (Deficit)	(152,069)	(175,440)	23,371
Temporarily Restricted	282,123		282,123
Permanently Restricted	5,000		5,000
<b>Total Net Assets</b>	<b>135,054</b>	<b>(175,440)</b>	<b>310,494</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 914,559</b>	<b>\$ 405,080</b>	<b>\$ 509,479</b>

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

Combining Statements of Activities

For The Year Ended June 30, 2013

	Combined	Elimination	Marian High School, Inc.	DOME
<b>Changes in Unrestricted Net Assets:</b>				
<b>Support and Revenues:</b>				
Tuition and Fees	\$ 2,785,975	\$ -	\$ 2,785,975	\$ -
Contributions	656,445 (A)	(246,250)	606,136	296,559
Catholic Schools Foundation	74,422		74,422	
Auxiliary Services	78,542		78,542	
Athletic Income	49,018		49,018	
Rental Income	1,575		1,575	
Miscellaneous Income	92,068		92,068	
<b>Net Assets Released From Restrictions:</b>				
For Financial Aid	26,750		26,750	
<b>Total Unrestricted Support and Revenues</b>	<b>3,764,795</b>	<b>(246,250)</b>	<b>3,714,486</b>	<b>296,559</b>
<b>Expenses:</b>				
Educational	2,237,661		2,237,661	
Institutional	767,056		767,056	
Operations and Maintenance	414,448		414,448	
Fundraising	108,882		108,882	
Financial Aid	- (A)	(246,250)		246,250
Depreciation	55,193		55,193	
<b>Total Expenses</b>	<b>3,583,240</b>	<b>(246,250)</b>	<b>3,583,240</b>	<b>246,250</b>
<b>Increase in Unrestricted Net Assets</b>	<b>181,555</b>	<b>-</b>	<b>131,246</b>	<b>50,309</b>
<b>Changes in Temporarily Restricted Net Assets:</b>				
Contributions	20,952			20,952
Investment Income	12,514			12,514
Realized Gains on Marketable Securities	2,458			2,458
Unrealized Losses on Marketable Securities	6,265			6,265
Net Assets Released From Restrictions:				
For Financial Aid	(29,750)			(29,750)
<b>Increase in Temporarily Restricted Net Assets</b>	<b>12,439</b>	<b>-</b>	<b>-</b>	<b>12,439</b>
<b>Change in Net Assets</b>	<b>193,994</b>	<b>-</b>	<b>131,246</b>	<b>62,748</b>
<b>Net Assets (Deficit), Beginning of Year</b>	<b>135,054</b>		<b>(175,440)</b>	<b>310,494</b>
<b>Net Assets (Deficit), End of Year</b>	<b>\$ 329,048</b>	<b>\$ -</b>	<b>(\$ 44,194)</b>	<b>\$ 373,242</b>

(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, 2012

	Combined	Elimination	Marian High School, Inc.	DOME
<b>Changes in Unrestricted Net Assets:</b>				
<b>Support and Revenues:</b>				
Tuition and Fees	\$ 2,601,031	\$ -	\$ 2,601,031	\$ -
Contributions	589,489 (A)	(206,000)	627,294	168,195
Catholic Schools Foundation	123,108		123,108	
Auxiliary Services	74,002		74,002	
Athletic Income	39,714		39,714	
Rental Income	5,567		5,567	
Miscellaneous Income	98,532		98,532	
<b>Net Assets Released From Restrictions:</b>				
For Financial Aid	42,001		42,001	
<b>Total Unrestricted Support and Revenues</b>	<b>3,573,444</b>	<b>(206,000)</b>	<b>3,611,249</b>	<b>168,195</b>
<b>Expenses:</b>				
Educational	2,223,335		2,223,335	
Institutional	698,056		698,056	
Operations and Maintenance	411,413		411,413	
Fundraising	114,127		114,127	
Financial Aid	- (A)	(206,000)		206,000
Depreciation	54,448		54,448	
<b>Total Expenses</b>	<b>3,501,379</b>	<b>(206,000)</b>	<b>3,501,379</b>	<b>206,000</b>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<b>72,065</b>	<b>-</b>	<b>109,870</b>	<b>(37,805)</b>
<b>Changes in Temporarily Restricted Net Assets:</b>				
Contributions	24,106			24,106
Investment Income	13,930			13,930
Realized Gains on Marketable Securities	542			542
Unrealized Losses on Marketable Securities	(6,069)			(6,069)
Net Assets Released From Restrictions:				
For Financial Aid	(42,001)			(42,001)
<b>Decrease in Temporarily Restricted Net Assets</b>	<b>(9,492)</b>	<b>-</b>		<b>(9,492)</b>
<b>Change in Net Assets</b>	<b>62,573</b>	<b>-</b>	<b>109,870</b>	<b>(47,297)</b>
<b>Net Assets (Deficit), Beginning of Year</b>	<b>72,481</b>	<b>-</b>	<b>(285,310)</b>	<b>357,791</b>
<b>Net Assets (Deficit), End of Year</b>	<b>\$ 135,054</b>	<b>\$ -</b>	<b>(\$ 175,440)</b>	<b>\$ 310,494</b>

(B) 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, 2013**

	<u>Combined</u>	<u>Marian High School, Inc.</u>	<u>DOME</u>
<b>Cash Flows From Operating Activities:</b>			
Change in Net Assets	\$ 193,994	\$ 131,246	\$ 62,748
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation	55,193	55,193	
Realized Gains on Marketable Securities	(2,458)		(2,458)
Unrealized Gains on Marketable Securities	(6,265)		(6,265)
Fees and Tuition Receivable	2,016	2,016	
Accounts Receivable, Other	6,393	6,393	
Prepaid Expenses	17,909	17,909	
Accounts Payable	(22,866)	(22,866)	
Accrued Payroll and Other Liabilities	16,158	16,158	
Fees and Tuition Received in Advance	(70,857)	(121,128)	50,271
<b>Net Cash Provided by Operating Activities</b>	<u>189,217</u>	<u>84,921</u>	<u>104,296</u>
<b>Cash Flows From Investing Activities:</b>			
Increase in Investment Cash	(2,727)		(2,727)
Purchase of Marketable Securities	(12,003)		(12,003)
Proceeds from Sales of Marketable Securities	21,016		21,016
Expenditures for Property and Equipment	(34,730)	(34,730)	
<b>Net Cash (Used) Provided by Investing Activities</b>	<u>(28,444)</u>	<u>(34,730)</u>	<u>6,286</u>
<b>Cash Flows From Financing Activities:</b>			
Line of Credit Payments	(42,125)	(42,125)	
Reduction of Capitalized Lease Obligation	(13,072)	(13,072)	
<b>Net Cash Used by Financing Activities</b>	<u>(55,197)</u>	<u>(55,197)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash</b>	105,576	(5,006)	110,582
<b>Cash at Beginning of Year</b>	<u>298,059</u>	<u>75,703</u>	<u>222,356</u>
<b>Cash at End of Year</b>	<u>\$ 403,635</u>	<u>\$ 70,697</u>	<u>\$ 332,938</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>			
<b>Cash Paid During the Year for:</b>			
Interest	\$ 2,789	\$ 2,789	\$ -

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

**Combining Statements of Cash Flows**

**For The Year Ended June 30, 2012**

	<u>Combined</u>	<u>Marian High School, Inc.</u>	<u>DOME</u>
<b>Cash Flows From Operating Activities:</b>			
Change in Net Assets	\$ 62,573	\$ 109,870	(\$ 47,297)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation	54,448	54,448	
Realized Gains on Marketable Securities	(542)		(542)
Unrealized Losses on Marketable Securities	6,069		6,069
Fees and Tuition Receivable	5,177	5,177	
Accounts Receivable, Other	(18,544)	(18,544)	
Prepaid Expenses	(6,393)	(6,393)	
Accounts Payable	(41,313)	(41,313)	
Accrued Payroll and Other Liabilities	46,374	46,374	
Fees and Tuition Received in Advance	99,101	(99,884)	198,985
<b>Net Cash Provided by Operating Activities</b>	<u>206,950</u>	<u>49,735</u>	<u>157,215</u>
<b>Cash Flows From Investing Activities:</b>			
Decrease in Investment Cash	4,497		4,497
Purchase of Marketable Securities	(13,532)		(13,532)
Proceeds from Sales of Marketable Securities	13,000		13,000
Expenditures for Property and Equipment	(87,420)	(87,420)	
<b>Net Cash (Used) Provided by Investing Activities</b>	<u>(83,455)</u>	<u>(87,420)</u>	<u>3,965</u>
<b>Cash Flows From Financing Activities:</b>			
Proceeds from Line of Credit	80,000	80,000	
Line of Credit Payments	(50,000)	(50,000)	
Reduction of Capitalized Lease Obligation	(11,675)	(11,675)	
<b>Net Cash Provided by Financing Activities</b>	<u>18,325</u>	<u>18,325</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash</b>	141,820	(19,360)	161,180
<b>Cash at Beginning of Year</b>	156,239	95,063	61,176
<b>Cash at End of Year</b>	<u>\$ 298,059</u>	<u>\$ 75,703</u>	<u>\$ 222,356</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>			
<b>Cash Paid During the Year for:</b>			
Interest	\$ 3,475	\$ 3,475	\$ -

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

Details of Educational Expenses

	June 30,	
	2013	2012
Teachers' Salaries	\$ 1,053,592	\$ 1,031,962
Athletic Salaries	164,338	168,439
Guidance Salaries	155,909	150,627
Library Salaries	40,267	38,958
Cafeteria Salaries	36,763	34,319
Payroll Taxes	105,097	103,841
Health Insurance	128,525	111,401
Retirement Plan Expense	85,979	83,107
Employee Benefits	51,475	49,955
Workshop and Seminars	1,946	1,831
Testing	12,324	12,255
Student Activities	75,969	90,629
Dues and Subscriptions	3,648	12,680
Supplies	15,279	11,748
Computer Supplies	31,177	31,519
Copier Maintenance and Usage	20,153	18,804
Books and Merchandise	30,189	28,444
English	3,129	2,193
Mathematics	1,829	2,445
Science	5,107	8,529
Social Studies	1,015	2,312
Religion	-	200
Language	1,015	1,596
Fine Arts	1,609	2,559
Guidance	2,465	5,776
Library	3,200	8,070
Athletic Programs	136,176	142,173
Cafeteria	69,486	66,963
	\$ 2,237,661	\$ 2,223,335

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

**Details of Expenses**

<b>Institutional</b>	<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>
Administrative and Support Salaries	\$ 409,509	\$ 374,277
Religious Salaries	115,163	104,175
Payroll Taxes	29,664	27,287
Health Insurance	36,276	29,274
Retirement Plan Expense	24,268	21,839
Employee Benefits	6,484	8,397
Marketing	7,621	7,505
Admissions	10,991	20,478
Professional Services	6,074	5,537
Office Supplies	3,781	2,937
Computer Supplies	4,659	7,880
Copier Maintenance and Usage	4,924	1,675
Postage	15,337	15,942
Payroll Service Fees	4,635	4,318
Bank Charges	7,508	9,232
Interest Expense	2,789	3,475
Bad Debts Provision	62,026	28,132
Miscellaneous	15,347	25,696
	<b>\$ 767,056</b>	<b>\$ 698,056</b>

<b>Operations And Maintenance</b>	<b>June 30,</b>	
	<b>2013</b>	<b>2012</b>
Salaries	\$ 38,618	\$ 44,401
Payroll Taxes	2,797	3,237
Health Insurance	3,421	3,473
Retirement Plan Expense	2,288	2,591
Employee Benefits	612	996
Utilities and Fuel	109,292	141,911
Repairs And Services	204,578	163,663
Gas and Maintenance of Vehicles	21,422	21,759
Insurance	31,420	29,382
	<b>\$ 414,448</b>	<b>\$ 411,413</b>