

MATIGNON HIGH SCHOOL, INC.

FINANCIAL STATEMENTS

and

INDEPENDENT AUDITORS' REPORT

June 30, 2015 and 2014



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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Matignon High School, Inc.
Cambridge, MA

We have audited the accompanying financial statements of **Matignon High School, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities for the year ended June 30, 2015 and the statements of net (deficiency) assets and cash flows for the years ended June 30, 2015 and 2014, 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 audit. 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 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 the entity's 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 the entity's 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 financial statements referred to above present fairly, in all material respects, the financial position of **Matignon High School, Inc.** as of June 30, 2015 and 2014, and the changes in its net (deficiency) assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

INDEPENDENT AUDITORS' REPORT - CONTINUED

Report on Summarized Comparative Information

We have previously audited **Matignon High School, Inc.**'s June 30, 2014 financial statements, and our report dated January 13, 2015 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2014, is consistent in all material respects, with the audited financial statements from which they are derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rucci, Bardaro & Falzone, PC

Rucci, Bardaro & Falzone, PC
Certified Public Accountants

October 30, 2015



Matignon High School, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash	\$ 622,067	\$ 347,790
Restricted cash	10,026	-
Accounts receivable, net of allowance of \$105,000 in 2015 and \$39,000 in 2014	4,500	77,169
Investments	91,071	90,411
Prepaid expenses	6,157	-
	<hr/>	<hr/>
Total current assets	733,821	515,370
	<hr/>	<hr/>
PROPERTY AND EQUIPMENT, NET	2,157,930	2,245,179
	<hr/>	<hr/>
OTHER ASSETS		
Deferred costs, less accumulated amortization of \$19,788 in 2015 and \$16,160 in 2014	16,446	20,074
	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,908,197	\$ 2,780,623
	<hr/>	<hr/>
<u>LIABILITIES AND NET (DEFICIENCY) ASSETS</u>		
CURRENT LIABILITIES		
Line of credit	\$ 192,214	\$ 194,409
Current portion of long term liabilities	105,494	95,530
Accounts payable and accrued expenses	369,433	503,682
Deferred revenues	1,240,941	825,757
	<hr/>	<hr/>
Total current liabilities	1,908,082	1,619,378
	<hr/>	<hr/>
LONG-TERM LIABILITIES		
Notes payable to bank	4,872,623	4,984,019
Less: current portion of long term liabilities	(105,494)	(95,530)
Deferred rent	149,999	119,999
	<hr/>	<hr/>
Total long-term liabilities	4,917,128	5,008,488
	<hr/>	<hr/>
Total liabilities	6,825,210	6,627,866
	<hr/>	<hr/>
NET (DEFICIENCY) ASSETS		
Unrestricted	(4,019,385)	(3,966,972)
Temporarily restricted	53,828	70,129
Permanently restricted	48,544	49,600
	<hr/>	<hr/>
Total net (deficiency) assets	(3,917,013)	(3,847,243)
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET (DEFICIENCY) ASSETS	\$ 2,908,197	\$ 2,780,623
	<hr/>	<hr/>

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



Matignon High School, Inc.

STATEMENTS OF NET (DEFICIENCY) ASSETS

For the years ended June 30, 2015 and 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net (deficiency) assets, June 30, 2013	\$ (3,672,384)	\$ 59,935	\$ 49,600	\$ (3,562,849)
(Decrease) increase in net assets	<u>(294,588)</u>	<u>10,194</u>	<u>-</u>	<u>(284,394)</u>
Net (deficiency) assets, June 30, 2014	(3,966,972)	70,129	49,600	(3,847,243)
Decrease in net assets	<u>(52,413)</u>	<u>(16,301)</u>	<u>(1,056)</u>	<u>(69,770)</u>
Net (deficiency) assets, June 30, 2015	<u>\$ (4,019,385)</u>	<u>\$ 53,828</u>	<u>\$ 48,544</u>	<u>\$ (3,917,013)</u>



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

Matignon High School, Inc.

STATEMENTS OF CASH FLOWS

For the years ended June 30,

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	\$ (69,770)	\$ (284,394)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	120,420	120,641
Bad debt	104,724	-
Amortization of deferred costs	3,628	3,326
Unrealized appreciation on investments	(660)	(9,214)
Change in operating assets and liabilities:		
Restricted cash	(10,026)	-
Accounts receivable	(32,055)	16,028
Prepaid expenses	(6,157)	-
Accounts payable and accrued expenses	(134,249)	118,167
Deferred revenues	415,184	36,262
Deferred rent	30,000	30,000
	<u>421,039</u>	<u>30,816</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(25,968)	(62,749)
	<u>(25,968)</u>	<u>(62,749)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable to bank	(118,599)	(90,981)
Payments on line of credit, net	(2,195)	(2,086)
	<u>(120,794)</u>	<u>(93,067)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	274,277	(125,000)
CASH AND CASH EQUIVALENTS, beginning of year	<u>347,790</u>	<u>472,790</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 622,067</u>	<u>\$ 347,790</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest expense	\$ 235,293	\$ 279,960
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing and financing activities		
Purchase of equipment financed by debt	<u>\$ 7,203</u>	<u>\$ -</u>

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



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE A - NATURE OF THE ORGANIZATION

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

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **Financial Statement Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Under these principles, the School is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor imposed restrictions.

These principles also require that contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a temporary restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, temporarily restricted contributions are reported as unrestricted when the restrictions have been met in the same accounting period.



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. **Cash and Cash Equivalents**

Cash in bank accounts may exceed Federal Deposit Insurance Corporation ("FDIC") insurance limits from time-to-time during the year in the ordinary course of business, which Management does not believe exposes the School to significant risk of loss. As of June 30, 2015 and 2014, the FDIC insures cash balances in banks up to \$250,000, and the uninsured portion of this balance was \$480,377 and \$112,311 respectively.

For the purposes of the statement of cash flows, the School considers all highly liquid investments available for current use with an initial maturity of three months or less except restricted cash to be cash equivalents.

3. **Restricted Cash**

Restricted cash represents a donor funds in a bank account restricted for spending on scholarships.

4. **Accounts Receivable and Unconditional Promises to Give**

Accounts receivable is made up of tuition receivable. The School carries its accounts receivable net of an allowance for doubtful accounts. Periodically, the School evaluates its accounts receivable and establishes an allowance for doubtful accounts based on historical experience with bad debt and collections, as well as current credit conditions. Management closely monitors outstanding accounts receivable and charges off to expense all balances that are determined to be uncollectible. Bad debt expense was \$158,033 and \$0 for the years ended June 30, 2015 and 2014, respectively. Interest is not accrued on receivables.

Unconditional promises to give contributions are recognized at their fair value in the period received. Contributions receivable after one year are discounted at a rate to commensurate risk. Management closely monitors outstanding unconditional promises to give contributions, provides for an allowance and charges off to expense all balances that are determined to be uncollectible.



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. **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 the Roman Catholic Archdiocese of Boston Common Investment Fund as of June 30, 2015 and 2014.

Marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are not met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

6. **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. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others;

Level 3 Inputs - Unobservable inputs for where there is little, if any, market activity. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in valuing a portfolio instrument, and would be based on the best information available.



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. **Fair Value Measurements - Continued**

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.

7. **Functional Expenses and Allocation of Management and General**

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

8. **Income Taxes**

The School is registered with the Internal Revenue Service as an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Under certain circumstances, the School could be liable for tax under I.R.C. Section 512, Unrelated Business Taxable Income. As of, and for the year ended June 30, 2015 and 2014, no such circumstances occurred. Accordingly, no income tax payment was made nor required for the period then ended.

Accounting principles generally accepted in the United States of America clarify the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. They also provide guidance on de-recognition, measurement and classification of amounts relating to uncertain tax positions, accounting for and disclosure of interest and penalties, and disclosures required. The School's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties as an operating expense. There were no such interest or penalties recognized for the 2015 and 2014 tax years.

9. **Revenue Recognition**

The School receives support from individual contributions and grants. This support is recorded on the accrual basis of accounting. Promises to give are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. In-kind contributions are generally recognized when received as further discussed in Note G.



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. **Use of Estimates**

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

11. **Tuition Revenue**

Tuition revenue is recorded at rates established by the School.

12. **Deferred Revenues**

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

13. **Pension Plan**

Faculty members of the School who meet eligibility requirements are participants in a noncontributory retirement annuity plan which is funded annually. There are no prior service costs under the plan. Pension expense amounted to \$128,461 and \$132,909 for the years ended June 30, 2015 and 2014, respectively.

14. **Reclassifications**

Certain accounts in the prior year financial statements have been reclassified, for comparative purposes, to conform to the presentation in the current year financial statements with no effect on the prior year change in net position or net position.

NOTE C - NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2015 and 2014 are comprised of \$53,828 and \$42,383, respectively, restricted by donors for financial assistance and scholarships.

Permanently Restricted Net Assets

Permanently restricted net assets as of June 30, 2015 and 2014 are comprised of \$48,544 and are to be held in perpetuity, the income of which is to be used for scholarships, library books, periodicals, and electronic media.



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE D - PROPERTY AND EQUIPMENT

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

Property and equipment consisted of the following as of June 30, 2015:

<u>Category</u>	<u>Years</u>	<u>2015</u>	<u>2014</u>
Improvements - site	5-20	\$ 646,010	\$ 646,010
Improvements - building	5-40	2,447,801	2,447,801
Furniture and fixtures	3-10	1,074,992	1,041,822
Vehicles	5	<u>24,255</u>	<u>24,255</u>
		4,193,058	4,159,888
Less: accumulated depreciation		<u>(2,035,128)</u>	<u>(1,914,709)</u>
Property and equipment, net		<u>\$ 2,157,930</u>	<u>\$ 2,245,179</u>

The costs of normal repairs and maintenance are charged to operating expenses as incurred. Major equipment purchases, renewals, betterments, and additions are capitalized. Depreciation expense for the years ended June 30, 2015 and 2014 was \$120,420 and \$120,641, respectively.

NOTE E - LINE OF CREDIT

The School has a \$200,000 secured line of credit agreement with a bank for short-term borrowings which is due on demand. Interest on outstanding borrowings is payable monthly at the bank's base lending rate (4.00% at June 30, 2015), plus 1.0%. As of June 30, 2015 and 2014, the line of credit was \$192,214 and \$194,409, respectively. Real estate and assignment of leases and rents are pledged as collateral. The School did not meet a covenant during the year for the minimum debt service coverage that was not waived.

On January 2015 the School obtained a second line of credit for \$700,000 with the Roman Catholic Archdiocese of Boston ("RCAB") for short-term borrowings which is due on demand. The note expires in January 2020. Interest on outstanding borrowings is payable at the bank's base lending rate (4.5% at June 30, 2015). As of June 30, 2015, the balance under the line of credit was \$0. Deferred tuition revenue is pledged as collateral.



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE F - LONG-TERM DEBT

Notes payable to a bank, for \$4,867,449 and \$4,984,019 at June 30, 2015 and 2014, respectively, required the School to make interest only payments July 2013, at which time principal payments commenced. Interest at June 30, 2015 was 4.5%. The notes mature on June 30, 2021.

Real estate, assignment of leases, security interest in land, building and improvements and rents are pledged as collateral. The notes are guaranteed by the Archdiocese. In addition, the School maintains a debt reserve cash account to make debt service payments on the notes payable to the bank.

In August 2014 the school obtained equipment via an equipment finance agreement with a bank. The balance due at June 30, 2015 was \$5,174, with a net book value of \$5,882. The implicit interest rate on the loan is 9.521% with a maturity date in July of 2017. The equipment is pledged as collateral.

Maturities of notes payable for the five years succeeding June 30, 2015 are as follows:

Year ending June 30:

2016	\$ 105,495
2017	112,091
2018	116,480
2019	123,423
2020	131,036
Thereafter	<u>4,284,098</u>
Total	<u>\$ 4,872,623</u>

Interest expense on the notes payable to the banks and the line of credit for the years ended June 30, 2015 and 2014 totaled \$239,460 and \$279,960, respectively.

NOTE G - IN-KIND CONTRIBUTIONS

The School received \$9,248 and \$15,075 in heating oil as an in-kind contribution for the years ended June 30, 2015 and 2014, and it has been reflected in the financial statements. There were no other donations or significant amounts of services donated by supporters that met the criteria for recognition.



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE H - RELATED PARTIES

The Catholic School Foundation is an affiliated organization of the Archdiocese and provided tuition support amounting to \$63,100 and \$37,900 during the years ended June 30, 2015 and 2014, respectively, which are included in grants and contributions in the accompanying statement of activities.

NOTE I - OPERATING LEASES AND COMMITMENTS

The Archdiocese owns the property which the School occupies. The School has entered into a lease agreement with the Roman Catholic Archbishop of Boston, a Corporation Sole., a related party, which expires June 2060. The lease requires the School to pay \$1 rent for each of the first thirty years, \$50,000 each year for years thirty-one through forty and \$100,000 each year for the years forty-one through fifty. The rent may be reduced for leasehold improvements made by the tenant. For the years ended June 30, 2015 and 2014, deferred rent expense was \$30,000.

NOTE J - FAIR VALUE OF FINANCIAL INSTRUMENTS

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The fair value of the School's investments in the Roman Catholic Archbishop of Boston Common Investment Fund (CIF) are based on the underlying investment portfolio that consist of equity, fixed income bonds and money market funds, mutual funds and well as private investment entities. These assets are valued using the net asset value (NAV) per share.

Notification of intent to make a purchase or redemption from a CIF fund must be received by the 15th of the month for a transaction date of the following month. All subsequent requests will occur on the next available investment date.



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE J - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The School uses fair value measurements to record fair value adjustment to determine fair value disclosures. The following table sets forth, by level within the fair value hierarchy, the School's assets at fair value as of June 30, 2015.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity	\$ 40,253	\$ -	\$ -	\$ 40,253
Mutual Funds	19,125	-	-	19,125
Private Investments	-	20,219	2,914	23,133
Fixed Income	-	5,555	-	5,555
Cash/ money Market	<u>-</u>	<u>3,005</u>	<u>-</u>	<u>3,005</u>
Total	<u>\$ 59,378</u>	<u>\$ 28,779</u>	<u>\$ 2,914</u>	<u>\$ 91,071</u>

The following table sets forth, by level within the fair value hierarchy, the School's assets at fair value as of June 30, 2014.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity	\$ 39,962	\$ -	\$ -	\$ 39,962
Mutual Funds	18,986	-	-	18,986
Private Investments	-	20,071	2,893	22,964
Fixed Income	-	5,515	-	5,515
Cash/ money Market	<u>-</u>	<u>2,984</u>	<u>-</u>	<u>2,984</u>
Total	<u>\$ 58,948</u>	<u>\$ 28,570</u>	<u>\$ 2,893</u>	<u>\$ 90,411</u>

Changes in valuation techniques may result in transfers in or out of current assigned levels within the hierarchy. The CIF recognizes transfers between fair value hierarchy levels at the approximate date or change in circumstances that causes the transfer. There were no significant transfers between levels within the fair value hierarchy during the year.



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE K - INVESTMENT INCOME

The following schedule summarizes investment income and their classification in the statement of activities at June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest income	\$ -	\$ 26	\$ 26
Dividend income	-	3,572	3,572
Unrealized losses	-	(1,433)	(1,433)
Total investment loss	\$ -	\$ 2,165	\$ 2,165

The following schedule summarizes investment income and their classification in the statement of activities at June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest income	\$ -	\$ -	\$ -
Dividend income	-	3,268	3,268
Unrealized losses	-	6,926	6,926
Total investment loss	\$ -	\$ 10,194	\$ 10,194

NOTE L - PROMISES TO GIVE

Unconditional promises to give consist of the following:

	<u>2015</u>	<u>2014</u>
Unrestricted promises	\$ 115,660	\$ 167,725
Less: allowance for uncollectible pledges	(115,600)	(167,725)
Net unconditional promises to give	\$ -	\$ -
Amounts due in:		
Less than one year	\$ 49,150	\$ 63,275
One to five years	66,450	104,450
Total unconditional promises to give	\$ 115,600	\$ 167,725



Matignon High School, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 30, 2015, the date the financial statements were available to be issued. There are no recognized subsequent events that provide additional evidence about conditions that existed at the statement of financial position date, or non-recognized subsequent events, or events that provide evidence about conditions that did not exist at the statement of financial position date, which are necessary to disclose to keep the financial statements from being misleading.



Matignon High School, Inc.

SCHEDULE I - PROGRAM SERVICES EXPENSES

For the years ended June 30,

	<u>2015</u>	<u>2014</u>
Salaries	\$ 1,694,282	\$ 1,873,096
Fringe benefits	272,687	274,956
Payroll taxes	132,543	117,026
Student activities and summer school	96,238	126,417
Transportation	89,425	87,736
Athletic equipment	63,746	78,346
Graduation	28,921	32,278
Referees	27,727	28,744
Fees	15,131	11,229
Books and publications	2,887	2,218
	<u>\$ 2,423,587</u>	<u>\$ 2,632,046</u>



Matignon High School, Inc.

SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended June 30,

	<u>2015</u>	<u>2014</u>
Salaries	\$ 805,763	\$ 724,408
Interest	239,460	279,960
Maintenance	175,987	187,206
Uncollectible tuition	158,033	-
Depreciation	120,420	120,641
Contracted services	118,894	160,489
Fringe benefits	107,787	112,690
Utilities	92,020	121,150
Payroll taxes	85,336	83,919
Professional services	55,130	38,300
Insurance	54,354	29,060
Office supplies	52,547	45,380
Printing	35,473	645
Admissions	31,882	43,840
Rent	30,000	30,000
Miscellaneous	23,232	38,531
Telephone	16,282	14,166
Equipment rental and maintenance	9,096	9,167
Postage	6,260	5,587
Amortization	3,628	3,326
Vehicle	2,627	3,389
Conferences and workshops	2,568	1,078
	<u>\$ 2,226,779</u>	<u>\$ 2,052,932</u>



Matignon High School, Inc.

SCHEDULE III - FUNDRAISING EXPENSES

For the years ended June 30,

	<u>2015</u>	<u>2014</u>
Development activity	\$ 115,140	\$ 20,536
Salaries	83,290	53,349
Fringe benefits	6,513	531
Payroll taxes	6,372	4,105
Supplies	742	820
Professional services	-	9,395
	<hr/>	<hr/>
	<u>\$ 212,057</u>	<u>\$ 88,736</u>

