

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

CONTENTS

Independent Auditors' Report..... 1-2

Combined Financial Statements

Statements of Financial Position.....3
Statements of Activities4
Statements of Cash Flows.....5

Notes to Combined Financial Statements..... 6-22

Independent Auditors' Report on Supplementary Information23

Combining Supplementary Information

Statement of Financial Position24
Statement of Activities.....25
Schedule of Program Services Expenses26
Schedule of General and Administrative Expenses27



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Cristo Rey Boston High School, Inc. and
Cristo Rey Boston Corporate Work Study Program, Inc.
Dorchester, Massachusetts

Report on the Financial Statements

We have audited the accompanying combined financial statements of Cristo Rey Boston High School, Inc. and Cristo Rey Boston Corporate Work Study Program, Inc., which comprise the combined statement of financial position as of June 30, 2014, and the related combined statements of activities and cash flows for the year then ended and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined 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 the entity's preparation and fair presentation of the combined 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 combined 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 financial position of Cristo Rey Boston High School, Inc. and Cristo Rey Boston Corporate Work Study Program, Inc. as of June 30, 2014, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements and Report on Comparative Information

The combined financial statements of Cristo Rey Boston High School, Inc. and Cristo Rey Boston Corporate Work Study Program, Inc.'s as of June 30, 2013 and for the year then ended were audited by Braver P.C., whose practice combined with Marcum LLP as of January 1, 2014, and whose report dated September 21, 2013, expressed an unmodified opinion on those audited combined financial statements. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Marcum LLP

Needham, Massachusetts
October 9, 2014

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013**

	2014	2013
Assets		
Cash and cash equivalents	\$ 494,185	\$ 132,052
Accounts receivable, net	214,727	183,607
Pledges receivable, net	94,312	244,378
Prepaid expenses	--	8,544
Restricted cash	467,446	299,970
Investments	273,123	255,754
RCAB support receivable - rent, net	16,402,384	16,682,162
Property and equipment, net	2,029,189	1,919,736
Other assets	2,500	2,500
Beneficial interest in perpetual trust	1,284,601	1,264,142
Total Assets	\$ 21,262,467	\$ 20,992,845
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 215,646	\$ 207,130
Note payable	153,846	171,900
Deferred revenue	74,285	74,925
Student activity deposits	3,317	5,357
Deferred rent	120,000	90,000
Funds held for contracts	213,759	258,449
Total Liabilities	780,853	807,761
Net Assets		
Unrestricted	2,137,798	1,660,721
Board designated	252,900	101,392
Total unrestricted	2,390,698	1,762,113
Temporarily restricted	16,676,540	17,037,689
Permanently restricted	1,414,376	1,385,282
Total Net Assets	20,481,614	20,185,084
Total Liabilities and Net Assets	\$ 21,262,467	\$ 20,992,845

The accompanying notes are an integral part of these combined financial statements.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**COMBINED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2014 Total	2013 Total
Operating Revenues and Support					
Tuition, gross	\$ 1,303,910	\$ --	\$ --	\$ 1,303,910	\$ 854,725
Financial aid	<u>(840,077)</u>	<u>--</u>	<u>--</u>	<u>(840,077)</u>	<u>(467,041)</u>
Tuition, net	463,833	--	--	463,833	387,684
Sponsor revenue	2,573,678	--	--	2,573,678	2,201,416
Grants and contributions	929,091	516,120	--	1,445,211	1,427,486
Investment and interest income	49,504	1,458	6,563	57,525	52,944
Realized and unrealized gains on investments	103,576	4,617	22,531	130,724	76,185
Miscellaneous	33,209	--	--	33,209	987
Net assets released from temporary restrictions	<u>603,566</u>	<u>(603,566)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Operating Revenues and Support	<u>4,756,457</u>	<u>(81,371)</u>	<u>29,094</u>	<u>4,704,180</u>	<u>4,146,702</u>
Expenses					
Program services	2,684,425	--	--	2,684,425	2,357,393
General and administrative	1,055,392	--	--	1,055,392	1,319,183
Fundraising	<u>288,055</u>	<u>--</u>	<u>--</u>	<u>288,055</u>	<u>244,089</u>
Total Expenses	<u>4,027,872</u>	<u>--</u>	<u>--</u>	<u>4,027,872</u>	<u>3,920,665</u>
Increase (Decrease) in Net Assets Before Related Party Support	<u>728,585</u>	<u>(81,371)</u>	<u>29,094</u>	<u>676,308</u>	<u>226,037</u>
Related Party Support					
Fair value of rent - amortization of discount	166,822	--	--	166,822	169,592
RCAB support	279,778	(279,778)	--	--	--
Additional rent expense	(100,000)	--	--	(100,000)	--
Building rent expense	<u>(446,600)</u>	<u>--</u>	<u>--</u>	<u>(446,600)</u>	<u>(446,600)</u>
Total Related Party Support	<u>(100,000)</u>	<u>(279,778)</u>	<u>--</u>	<u>(379,778)</u>	<u>(277,008)</u>
Increase (Decrease) in Net Assets	628,585	(361,149)	29,094	296,530	(50,971)
Net Assets at Beginning of the Year	<u>1,762,113</u>	<u>17,037,689</u>	<u>1,385,282</u>	<u>20,185,084</u>	<u>20,236,055</u>
Net Assets at End of the Year	<u>\$ 2,390,698</u>	<u>\$ 16,676,540</u>	<u>\$ 1,414,376</u>	<u>\$ 20,481,614</u>	<u>\$ 20,185,084</u>

The accompanying notes are an integral part of these combined financial statements.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**COMBINED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
Cash Flows from Operating Activities		
Change in net assets	\$ 296,530	\$ (50,971)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	145,276	139,253
Provision for bad debts	38,615	44,554
Discount on pledges receivable	788	2,622
Non-cash equipment contributions	--	(30,142)
Non-cash contributions of other assets	(26,925)	--
Realized and unrealized gains on investments	(130,724)	(76,185)
Investment income reinvested	(7,776)	(6,981)
Fair value of rent adjustment	279,778	277,008
Changes in operating assets and liabilities:		
Restricted cash	(167,476)	18,000
Accounts receivable	(69,735)	(68,320)
Pledges receivable	149,278	(192,000)
Prepaid expenses	8,544	(7,544)
Accounts payable and accrued expenses	8,516	(12,795)
Deferred revenue	(640)	(22,775)
Student activity deposits	(2,040)	(7,739)
Deferred rent	30,000	30,000
Funds held for contracts	(44,690)	83,649
Total adjustments	210,789	170,605
Net Cash Provided by Operating Activities	507,319	119,634
Cash Flows from Investing Activities		
Proceeds from sale of investments	142,343	23,776
Purchase of investments	(14,746)	(15,546)
Purchase of property and equipment	(254,729)	(473,575)
Net Cash Used in Investing Activities	(127,132)	(465,345)
Cash Flows from Financing Activities		
Payments on note payable	(18,054)	--
Proceeds from note payable	--	195,234
Proceeds from line of credit, net	--	(23,334)
Net Cash (Used in) Provided by Financing Activities	(18,054)	171,900
Net Increase (Decrease) in Cash and Cash Equivalents	362,133	(173,811)
Cash and Cash Equivalents at Beginning of Year	132,052	305,863
Cash and Cash Equivalents at End of Year	\$ 494,185	\$ 132,052
<i>Supplemental Disclosure of Noncash Investing and Financing Activities</i>		
Cash paid for interest	\$ 7,401	\$ 7,277

The accompanying notes are an integral part of these combined financial statements.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 1 - ORGANIZATION

Cristo Rey Boston High School, Inc. operates a Cristo Rey college preparatory school located in Dorchester, Massachusetts (the "School"). The purpose of the School is to fulfill the educational mission of the Roman Catholic Church, the Roman Catholic Archbishop of Boston, the Roman Catholic Archdiocese of Boston (the "RCAB") and the Cristo Rey Network.

Cristo Rey Boston Corporate Work Study Program, Inc. (the "Work Study Program") was incorporated in February 2004, with the following purposes:

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying combined financial statements of the School and the Work Study Program are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

BASIS OF COMBINATION

The combined financial statements include the accounts of Cristo Rey Boston High School, Inc. and Cristo Rey Boston Corporate Work Study Program, Inc. All significant intercompany transactions and balances are eliminated in combination.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

The School and the Work Study Program are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

UNRESTRICTED NET ASSETS

Unrestricted net assets represent those assets which the School and the Work Study Program may use at their discretion.

TEMPORARILY RESTRICTED NET ASSETS

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

PERMANENTLY RESTRICTED NET ASSETS

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

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RESTRICTED AND UNRESTRICTED REVENUE

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from temporary restrictions.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SPONSOR REVENUE

Sponsor revenue is recognized ratably over the term of the contract for services provided to sponsors that are performed by students of the School.

CASH AND CASH EQUIVALENTS

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

RESTRICTED CASH

Restricted cash represents donor funds restricted for spending on capital improvements for the School building as well as funds held for contracts.

ACCOUNTS RECEIVABLE, PLEDGES RECEIVABLE, AND RCAB SUPPORT RECEIVABLE - RENT

Accounts receivable and pledges receivable are stated at amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable or pledges receivable. Changes in the valuation allowance have not been material to the combined financial statements. Conditional promises to give are not recognized in the combined financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in the contribution revenue.

RCAB support receivable - rent represents the present value of the excess of fair value of rent at the School building over rent expense to be recognized over the life of the Dorchester lease commitment described in Note 11. The discount on this amount is computed using an appropriate discount rate commensurate with the risks involved. Amortization of the discount is included in fair value of rent on the combined statement of activities.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS AND INVESTMENT INCOME

Investments in marketable equity and debt securities with readily determinable fair values are carried at their fair values in the combined statements of financial position. Gains and losses are included in the change in net assets in the accompanying combined statement of activities. Investment income and gains restricted by donors are reported as increases in temporarily restricted net assets. When the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished), they are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from temporary restrictions. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

PROPERTY AND EQUIPMENT

All acquisitions of property and equipment in excess of \$1,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets. Estimated useful lives are 3-7 years for furniture, fixtures and equipment; 5 years for vehicles; 3-5 years for computers and equipment; and 15-39 years for building improvements.

OTHER ASSETS

Other assets consist of donated artwork that was recorded at fair value on the date it was donated.

BENEFICIAL INTEREST IN PERPETUAL TRUST

The School carries its beneficial interest in perpetual trust at its fair value in the combined statements of financial position. On a quarterly basis, the School is entitled to dividend income at a rate of 1% of the fair value of the beneficial interest in perpetual trust.

DEFERRED REVENUE

Deferred revenue represents deposits and advance payments received for tuition which relate to the School's tuition billed for the following academic year. For the Work Study Program, deferred revenue represents advance payments received from sponsors. Deferred revenues are recorded as unrestricted revenue when earned.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNDS HELD FOR CONTRACTS

The School is the fiscal agent for a project in which the School and two other local high schools are participating. The funds held are contractually obligated for payment to teachers and administrators for the project. The project began during the year ended June 30, 2012, and is a planned three-year project.

FUNCTIONAL EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the combined statement of activities. Accordingly, certain direct costs have been applied to the programs and supporting services benefited.

INCOME TAXES

The School and the Work Study Program are both exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The School and the Work Study Program are also exempt from Massachusetts income tax under Massachusetts General Law 180. However, income from certain activities not directly related to the School's and the Work Study Program's tax-exempt purpose is subject to taxation as unrelated business income at both the state and federal levels. In addition, the School and the Work Study Program both qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations other than private foundations under Section 509(a)(2).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability (or asset) if the School and Work Study Program have taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the combined financial statements. If the School and Work Study Program were to incur a federal or state income tax liability in the future, interest and penalties would be reported as income taxes. The School and Work Study Program are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Generally, the School's and Work Study Program's tax returns remain open for federal and state income tax examination for three years from the date of filing.

DONATED ASSETS

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

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DONATED SERVICES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School or the Work Study Program.

ADVERTISING

The School and Work Study Program expense advertising costs as incurred. Combined advertising expense amounted to \$9,583 and \$14,935 for the years ended June 30, 2014 and 2013, respectively.

ENDOWMENT

The School's endowment consists of two individual funds established to provide scholarships to students of the School. Its endowment includes both donor-restricted funds and funds designated by the School's Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the School's Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

DONOR-RESTRICTED ENDOWMENT ASSETS

The Commonwealth of Massachusetts adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") effective June 30, 2009. The School's policies as to the classification and appropriation of donor-restricted endowment funds are described below and are consistent with the requirements of UPMIFA.

The School classifies as permanently restricted assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor's gift instructions at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted assets is classified as temporarily restricted assets until those amounts are appropriated for expenditure by the School.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DONOR-RESTRICTED ENDOWMENT ASSETS (CONTINUED)

The School considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

INVESTMENT RETURN OBJECTIVES AND RISK PARAMETERS

The School has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the School must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the School's Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The School expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

INVESTMENT RETURN OBJECTIVES AND RISK PARAMETERS

The School has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the School must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the School's Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The School expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

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

SUBSEQUENT EVENTS

The School and the Work Study Program have evaluated all subsequent events through October 9, 2014, the date the combined financial statements were available to be issued.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30:

	2014	2013
Tuition receivable	\$ 74,200	\$ 88,436
Accounts receivable - sponsors	166,612	115,031
Other receivables	115	140
Less allowance for doubtful accounts	<u>(26,200)</u>	<u>(20,000)</u>
Accounts receivable, net	<u>\$ 214,727</u>	<u>\$ 183,607</u>

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable consist of the following at June 30:

	2014	2013
Amounts due		
Within one year	\$ 80,100	\$ 122,000
Within two to five years	15,000	125,000
Less discount	788	2,622
Pledges receivable, net	\$ 94,312	\$ 244,378

NOTE 5 - FAIR VALUE MEASUREMENTS

GAAP establishes 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:

Basis of Fair Value Measurement

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable;

A financial instrument's 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.

The following is a description of the valuation methodologies used for assets measured at fair value.

Beneficial Interest in Perpetual Trust: Valued at the net asset value of the assets held in trust.

Money market funds and Mutual funds: Valued at the net asset value of shares held by the School at year end.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)

The preceding methods described may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

	Fair Value	Level 1	Level 2	Level 3
Short term investments - money market	\$ 11,159	\$ 11,159	\$ --	\$ --
Fixed income				
Short term	131,226	131,226	--	--
Intermediate	67,725	67,725	--	--
Equities				
Large cap	<u>63,013</u>	<u>63,013</u>	--	--
Total investments	<u>\$ 273,123</u>	<u>\$ 273,123</u>	<u>\$ --</u>	<u>\$ --</u>
Beneficial interest in perpetual trust	<u>\$1,284,601</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$1,284,601</u>

The following table sets forth by level, within the fair value hierarchy, the School's assets at fair value, as of June 30, 2013:

	Fair Value	Level 1	Level 2	Level 3
Short term investments - money market	\$ 3,048	\$ 3,048	\$ --	\$ --
Fixed income				
Short term	143,380	143,380	--	--
Intermediate	58,139	58,139	--	--
Equities				
Large cap	<u>51,187</u>	<u>51,187</u>	--	--
Total investments	<u>\$ 255,754</u>	<u>\$ 255,754</u>	<u>\$ --</u>	<u>\$ --</u>
Beneficial interest in perpetual trust	<u>\$1,264,142</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$1,264,142</u>

The School recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the years ended June 30, 2014 and 2013.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

	2014	2013
Beneficial interest in perpetual trust		
Fair value, beginning of year	\$ 1,264,142	\$ 1,188,042
Investment income	20,459	76,100
Fair value, end of year	\$ 1,284,601	\$ 1,264,142

NOTE 6 - RCAB SUPPORT RECEIVABLE - RENT

This unconditional promise to give represents the present value of the excess of fair value of rent at the School building over rent expense to be recognized over the life of the Dorchester lease commitment described in Note 11. The balance consists of the following at June 30:

	2014	2013
Amounts to be recognized as unrestricted revenue		
Within one year	\$ 446,600	\$ 446,600
Within one to five years	2,233,000	2,233,000
After five years	17,864,000	18,310,600
	20,543,600	20,990,200
Discount on amount to be recognized as unrestricted revenue within one year at 1% per annum	(164,024)	(166,822)
Discount on amount to be recognized as unrestricted revenue after one year at 1% per annum	(3,977,192)	(4,141,216)
RCAB support receivable - rent, net	\$ 16,402,384	\$ 16,682,162

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following major classifications at June 30:

	2014	2013
Furniture, fixtures and equipment	\$ 268,636	\$ 243,900
Vehicles	102,136	102,136
Computers and equipment	86,986	55,269
Building improvements	2,120,537	1,922,261
	2,578,295	2,323,566
Less accumulated depreciation	(549,106)	(403,830)
Property and equipment, net	\$ 2,029,189	\$ 1,919,736

Depreciation expense amounted to \$145,276 and \$139,253 during the years ended June 30, 2014 and 2013, respectively.

NOTE 8 - SALE OF 40 NORRIS STREET

In October 2010, the School reached an agreement with the Roman Catholic Archdiocese of Boston (the "Archdiocese") regarding the proceeds of the sale of the 40 Norris Street building in North Cambridge, Massachusetts. This building was sold in June 2010 for a sale price of \$3,600,000. Pursuant to a Memorandum of Understanding between the School, the Archdiocese, and the Parish of Blessed Mother Theresa (the "Parish") in Dorchester, Massachusetts, (the "Memorandum"), the Archdiocese contributed the net proceeds of the sale, following the payment of \$1,200,000 to the Parish and \$238,475 of expenses paid by the Archdiocese, to the School. These net proceeds consisted of (a) the forgiveness of an amount of \$750,000 on a line of credit, (b) \$250,000 of an unrestricted contribution, and (c) an amount of \$1,161,255 (as of October 2010) that is being held in trust by the Archdiocese (amount is \$1,284,601 at June 30, 2014). Since the School has an irrevocable right to receive the income from the amount held in trust, the School recorded the amount as a beneficial interest in perpetual trust (perpetual trust held by a third party) at June 30, 2014 and 2013.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Grants, bequests, and endowments often require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, the Board of Trustees deems the contingency unlikely, since by accepting the gifts and their terms, it has made a commitment to fulfill the provisions of the gift.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Pursuant to the Memorandum described in Note 8, the School is required to make payments to the Parish when the School reaches certain enrollment benchmarks. The School reached one of those benchmarks for the year ended June 30, 2014 and as such, \$100,000 has been included in additional rent on the statement of activities.

The School leases copy machines and other equipment under various non-cancelable operating leases expiring during the year ended June 30, 2017, and incurred rent expense under these leases of \$24,320 and \$28,641 for the years ended June 30, 2014 and 2013, respectively. Future minimum payments under these leases for the next five years amount to \$22,610 in 2015, \$15,900 in 2016, and \$11,925 in 2017. As an inducement to enter into new copier leases with another company, the School received \$33,995 to pay off its old copier leases. This amount was included in accounts payable and accrued expenses on the combined statements of financial position as of June 30, 2012. As of June 30, 2014, only \$6,710 of these funds remains unspent on the old copier leases.

On May 18, 2012, the School entered into a contract with its President. Under the terms of the contract, the School is obligated to compensate the President \$190,962 per year through the contract expiration date of June 30, 2015.

NOTE 10 - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2014 and 2013, the Work Study Program recognized \$311,850 and \$163,900, respectively, of sponsor revenue from businesses affiliated with members of the Work Study Program's Board of Trustees.

The Catholic School Foundation is a related organization of the Archdiocese and provided tuition support amounting to \$91,680 and \$134,960 during the years ended June 30, 2014 and 2013, respectively. This amount is included in the accompanying combined statement of activities in the caption grants and contributions.

The School has a beneficial interest in a perpetual trust held by the Archdiocese in the amount of \$1,284,601 and \$1,264,142 at June 30, 2014 and 2013, respectively.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 11 - LEASE AGREEMENT – DORCHESTER SCHOOL BUILDING

In March 2010, the School signed a lease agreement with the RCAB for the School building in Dorchester, Massachusetts. The term of this agreement is for fifty years starting on July 1, 2010, and terminating on June 30, 2060. Future minimum lease payments are as follows as of June 30, 2010: \$1 per year for Years 1-30 of the lease, \$50,000 per year for Years 31-40, and \$100,000 per year for Years 41-50. Because of the increases in rent, over the life of the lease the School records rent expense on a straight-line basis over the life of the lease, which differs from the actual rent payment schedule. The corresponding liability is recorded as deferred rent in the accompanying combined balance sheet. The balance of deferred rent as of June 30, 2014 and 2013 was \$120,000 and \$90,000, respectively. Accordingly, building rent expense of \$30,000 has been recognized during the years ended June 30, 2014 and 2013, respectively, and is allocated to program services expenses and general and administrative expenses. Lease payments in Years 31-50 can be reduced by tenant improvements to the School building.

The approximate excess of fair value of rent over rent expense in the lease amounted to \$446,600 during the years ended June 30, 2014 and 2013. This expense is shown in the combined statement of activities under the heading “related party support.” The School also released \$279,778 and \$277,008 from temporarily restricted net assets as of June 30, 2014 and 2013, and realized \$166,822 and \$169,592 in the amortization of the discount for the fair value of the rent as of June 30, 2014 and 2013, respectively. Both release from restriction and the amortization of the discount for the fair value of the rent are shown in the combined statement of activities under the heading “related party support.”

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 12 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

A summary of activity of temporarily and permanently restricted net assets as of June 30, 2014 is as follows:

	Beginning of Year	Grants and Contributions	Investment Income	Appropriated for Expenditure	End of Year
Temporarily restricted net assets					
Financial assistance	\$ --	\$ 121,280	\$ --	\$ (121,280)	\$ --
Endowment funds - scholarships	18,183	--	6,075	--	24,258
Operating expenses (time-restricted)	122,300	18,300	--	(105,600)	35,000
Capital improvements	65,016	268,000	--	(191,207)	141,809
Other	150,028	108,540	--	(185,479)	73,089
RCAB support	<u>16,682,162</u>	<u>--</u>	<u>--</u>	<u>(279,778)</u>	<u>16,402,384</u>
Total	<u>\$17,037,689</u>	<u>\$ 516,120</u>	<u>\$ 6,075</u>	<u>\$ (883,344)</u>	<u>\$16,676,540</u>
Permanently restricted net assets					
Endowment funds - scholarships	\$ 121,140	\$ --	\$ 8,635	\$ --	\$ 129,775
Beneficial interest in perpetual trust	<u>1,264,142</u>	<u>--</u>	<u>20,459</u>	<u>--</u>	<u>1,284,601</u>
Total	<u>\$ 1,385,282</u>	<u>\$ --</u>	<u>\$ 29,094</u>	<u>\$ --</u>	<u>\$ 1,414,376</u>

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 12 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

A summary of activity of temporarily and permanently restricted net assets as of June 30, 2013 is as follows:

	<u>Beginning of</u> <u>Year</u>	<u>Grants and</u> <u>Contributions</u>	<u>Investment</u> <u>Income</u>	<u>Appropriated</u> <u>for Expenditure</u>	<u>End of Year</u>
Temporarily restricted net assets					
Financial assistance	\$ 2,800	\$ --	\$ --	\$ (2,800)	\$ --
Endowment funds - scholarships	13,940	--	4,243	--	18,183
Operating expenses (time-restricted)	35,000	122,300	--	(35,000)	122,300
Capital improvements	194,778	65,016	--	(194,778)	65,016
Other	31,603	138,425	--	(20,000)	150,028
RCAB support	<u>16,959,170</u>	<u>--</u>	<u>--</u>	<u>(277,008)</u>	<u>16,682,162</u>
Total	<u>\$17,237,291</u>	<u>\$ 325,741</u>	<u>\$ 4,243</u>	<u>\$ (529,586)</u>	<u>\$17,037,689</u>
Permanently restricted net assets					
Endowment funds - scholarships	\$ 121,140	\$ --	\$ --	\$ --	\$ 121,140
Beneficial interest in perpetual trust	<u>1,188,042</u>	<u>--</u>	<u>76,100</u>	<u>--</u>	<u>1,264,142</u>
Total	<u>\$ 1,309,182</u>	<u>\$ --</u>	<u>\$ 76,100</u>	<u>\$ --</u>	<u>\$ 1,385,282</u>

NOTE 13 - RETIREMENT PLAN

The School and Work Study program participate in the retirement plan of the Archdiocese. The plan is for non-religious employees who are full-time active employees, and are either 1) at least 21 years of age and have earned one year of service credit, or 2) have earned three years of service credit. Contributions to the plan were \$11,285 and \$61,609 during the years ended June 30, 2014 and 2013, respectively. The School paid \$14,504, and \$48,781 in administration fees for the years ended June 30, 2014 and 2013, respectively.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

NOTE 14 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the School and Work Study Program to concentrations of credit risk consist principally of cash and cash equivalents and pledges and accounts receivable. The School and Work Study Program have a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (“FDIC”). The FDIC insures up to \$250,000, per depositor, per insured depository institution for each account ownership category. All of the School’s and Work Study Programs cash is held at one institution. At certain times during the year, cash balances may exceed FDIC limits. Concentrations of credit risk with respect to pledges and accounts receivable are limited due to the number of contributors and sponsorships comprising the School’s and Work Study Program’s contributor and sponsorships base and their dispersion across different industries, government sectors, and geographic areas.

NOTE 15 - IN-KIND CONTRIBUTIONS

The following amounts in in-kind contributions have been included in grants and contributions in the statement of activities as of June 30:

	2014	2013
Furniture and fixtures	\$ --	\$ 7,500
Vehicles	--	22,642
	\$ --	\$ 30,142

NOTE 16 - NOTE PAYABLE

In July 2012, the School entered into a note payable with the RCAB. The limit on the note payable is \$200,000, of which \$153,846 and \$171,900 were outstanding as of June 30, 2014 and 2013, respectively. The note payable accrues interest at a variable rate (4% as of June 30, 2014 and 5% as of June 30, 2013, with monthly principal and interest payments of \$2,131, payable monthly starting September 1, 2012 until the balance is paid off. The note is secured by the School’s investments in the School’s Common Investment Fund Endowment account. Interest paid on the note payable was \$7,401 and \$5,904 for the years ended June 30, 2014 and 2013. The required future principal payments for the next five years are as follows:

2015	\$	18,301
2016		19,238
2017		20,222
2018		21,257
2019		22,334



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Trustees of
Cristo Rey Boston High School, Inc. and
Cristo Rey Boston Work Study Program, Inc.
Dorchester, Massachusetts

We have audited the combined financial statements of Cristo Rey Boston High School, Inc. and Cristo Rey Boston Corporate Work Study Program Inc. (nonprofit organizations) as of and for the year ended June 30, 2014, and have issued our report thereon dated October 9, 2014, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position and activities, and the combined schedules of program services expenses and general and administrative expenses are presented for the purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Marcum LLP

Needham, Massachusetts
October 9, 2014

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**COMBINING STATEMENT OF FINANCIAL POSITION
(SUPPLEMENTARY INFORMATION)
FOR THE YEAR ENDED JUNE 30, 2014**

	Cristo Rey Boston High School, Inc.	Cristo Rey Boston Corporate Work Study Program, Inc.	Eliminations	Combined Totals
Assets				
Cash and cash equivalents	\$ 130,403	\$ 363,782	\$ --	\$ 494,185
Accounts receivable, net	48,115	166,612	--	214,727
Pledge receivable, net	94,312	--	--	94,312
Restricted cash	467,446	--	--	467,446
Investment	273,123	--	--	273,123
RCAB support receivable - rent, net	16,402,384	--	--	16,402,384
Property and equipment, net	2,014,850	14,339	--	2,029,189
Other assets	2,500	--	--	2,500
Beneficial interest in perpetual trust	1,284,601	--	--	1,284,601
Total assets	<u>\$20,717,734</u>	<u>\$ 544,733</u>	<u>\$ --</u>	<u>\$21,262,467</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 207,544	\$ 8,102	--	\$ 215,646
Note payable	153,846	-	-	153,846
Deferred revenue	8,685	65,600	--	74,285
Student activity deposits	3,317	--	--	3,317
Deferred rent	120,000	--	--	120,000
Funds held for contracts	213,759	--	--	213,759
Total Liabilities	<u>707,151</u>	<u>73,702</u>	<u>--</u>	<u>780,853</u>
Net Assets				
Unrestricted	1,666,767	471,031	--	2,137,798
Board designated	252,900	--	--	252,900
Total unrestricted net assets	1,919,667	471,031	--	2,390,698
Temporarily restricted	16,676,540	--	--	16,676,540
Permanently restricted	1,414,376	--	--	1,414,376
Total Net Assets	<u>20,010,583</u>	<u>471,031</u>	<u>--</u>	<u>20,481,614</u>
Total Liabilities and Net Assets	<u>\$20,717,734</u>	<u>\$ 544,733</u>	<u>\$ --</u>	<u>\$21,262,467</u>

See independent auditors' report on supplementary information.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**COMBINING STATEMENT OF ACTIVITIES
(SUPPLEMENTARY INFORMATION)
FOR THE YEAR ENDED JUNE 30, 2014**

	Cristo Rey Boston High School, Inc.				Cristo Rey Boston Corporate Work Study Program, Inc.				Eliminations	Combined Totals			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Revenues and Support													
Tuition, gross	\$ 1,303,910	\$ --	\$ --	\$ 1,303,910	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,303,910	\$ --	\$ --	\$ 1,303,910
Financial aid	(840,077)	--	--	(840,077)	--	--	--	--	--	(840,077)	--	--	(840,077)
Tuition, net	463,833	--	--	463,833	--	--	--	--	--	463,833	--	--	463,833
Sponsor revenue	1,707,000	--	--	1,707,000	2,573,678	--	--	2,573,678	(1,707,000) (a)	2,573,678	--	--	2,573,678
Grants and contributions	929,091	516,120	--	1,445,211	--	--	--	--	--	929,091	516,120	--	1,445,211
Investment and interest income	49,504	1,458	6,563	57,525	--	--	--	--	--	49,504	1,458	6,563	57,525
Realized and unrealized gains on investments	103,576	4,617	22,531	130,724	--	--	--	--	--	103,576	4,617	22,531	130,724
Miscellaneous	24,809	--	--	24,809	8,400	--	--	8,400	--	33,209	--	--	33,209
Net assets released from temporary restrictions	603,566	(603,566)	--	--	--	--	--	--	--	603,566	(603,566)	--	--
Total Operating Revenues and Support	3,881,379	(81,371)	29,094	3,829,102	2,582,078	--	--	2,582,078	(1,707,000)	4,756,457	(81,371)	29,094	4,704,180
Expenses													
Program services	2,242,823	--	--	2,242,823	2,148,602	--	--	2,148,602	(1,707,000) (a)	2,684,425	--	--	2,684,425
General and administrative	1,023,354	--	--	1,023,354	32,038	--	--	32,038	--	1,055,392	--	--	1,055,392
Fundraising	288,055	--	--	288,055	--	--	--	--	--	288,055	--	--	288,055
Total Expenses	3,554,232	--	--	3,554,232	2,180,640	--	--	2,180,640	(1,707,000)	4,027,872	--	--	4,027,872
Increase (Decrease) in Net Assets Before Related Party Support	327,147	(81,371)	29,094	274,870	401,438	--	--	401,438	--	728,585	(81,371)	29,094	676,308
Related Party Support													
Fair value of rent - amortization of discount	166,822	--	--	166,822	--	--	--	--	--	166,822	--	--	166,822
RCAB support	279,778	(279,778)	--	--	--	--	--	--	--	279,778	(279,778)	--	--
Additional rent expense	(100,000)	--	--	(100,000)	--	--	--	--	--	(100,000)	--	--	(100,000)
Building rent expense	(446,600)	--	--	(446,600)	--	--	--	--	--	(446,600)	--	--	(446,600)
Total Related Party Support	(100,000)	(279,778)	--	(379,778)	--	--	--	--	--	(100,000)	(279,778)	--	(379,778)
Increase (Decrease) in Net Assets	227,147	(361,149)	29,094	(104,908)	401,438	--	--	401,438	--	628,585	(361,149)	29,094	296,530
Net Assets at Beginning of Year	1,692,520	17,037,689	1,385,282	20,115,491	69,593	--	--	69,593	--	1,762,113	17,037,689	1,385,282	20,185,084
Net Assets at End of Year	\$ 1,919,667	\$ 16,676,540	\$ 1,414,376	\$ 20,010,583	\$ 471,031	\$ --	\$ --	\$ 471,031	\$ --	\$ 2,390,698	\$ 16,676,540	\$ 1,414,376	\$ 20,481,614

See independent auditors' report on supplementary information.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**COMBINING SCHEDULE OF PROGRAM SERVICES EXPENSES
(SUPPLEMENTARY INFORMATION)
FOR THE YEAR ENDED JUNE 30, 2014**

	Cristo Rey Boston High School, Inc.	Cristo Rey Boston Corporate Work Study Program, Inc.	Eliminations	Combined Totals
Salaries	\$ 1,544,102	\$ 196,194	\$ --	\$ 1,740,296
Fringe benefits	287,500	48,089	--	335,589
Bus drivers	--	100,589	--	100,589
Student food service	84,267	--	--	84,267
Sports programs	83,522	--	--	83,522
Student activities	67,552	--	--	67,552
Transportation	19,498	34,944	--	54,442
Textbooks	50,066	--	--	50,066
Leased buses	--	31,312	--	31,312
Supplies	26,109	1,821	--	27,930
Building rent	23,970	--	--	23,970
Volunteer support	23,009	--	--	23,009
Miscellaneous	20,307	486	--	20,793
Student training and seminars	--	20,667	--	20,667
Student testing	12,921	--	--	12,921
Recruiting	--	7,500	--	7,500
Support payments to Cristo Rey Boston High School, Inc.	--	1,707,000	(1,707,000) (a)	--
	<u>\$ 2,242,823</u>	<u>\$ 2,148,602</u>	<u>\$ (1,707,000)</u>	<u>\$ 2,684,425</u>

(a) To eliminate intercompany support and program services expenses

See independent auditors' report on supplementary information.

**CRISTO REY BOSTON HIGH SCHOOL INC. AND
CRISTO REY BOSTON CORPORATE WORK STUDY PROGRAM, INC.**

**COMBINING SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
(SUPPLEMENTARY INFORMATION)
FOR THE YEAR ENDED JUNE 30, 2014**

	Cristo Rey Boston High School, Inc.	Cristo Rey Boston Corporate Work Study Program, Inc.	Eliminations	Combined Totals
Salaries	\$ 301,505	\$ --	\$ --	\$ 301,505
Maintenance	173,207	--	--	173,207
Depreciation	140,748	4,528	--	145,276
Fringe benefits	108,581	6,072	--	114,653
Service contracts	58,638	1,194	--	59,832
Utilities	50,949	--	--	50,949
Professional fees	39,416	3,035	--	42,451
Dues and subscriptions	40,739	460	--	41,199
Provision for bad debts	25,653	12,962	--	38,615
Telephone	19,587	3,263	--	22,850
Insurance	17,308	--	--	17,308
Advertising	9,059	524	--	9,583
Office supplies	8,596	--	--	8,596
Postage and delivery	8,529	--	--	8,529
Interest	7,401	--	--	7,401
Building rent	6,030	--	--	6,030
Miscellaneous	4,049	--	--	4,049
Bank and brokerage fees	3,159	--	--	3,159
Brochures and printing	200	--	--	200
	<u>\$ 1,023,354</u>	<u>\$ 32,038</u>	<u>\$ --</u>	<u>\$ 1,055,392</u>

See independent auditors' report on supplementary information.