
ST. JOSEPH INSTITUTE FOR THE DEAF

Chesterfield, Missouri

FINANCIAL STATEMENTS WITH
SUPPLEMENTAL INFORMATION AND
INDEPENDENT AUDITORS' REPORT

**YEARS ENDED
JUNE 30, 2008 AND 2007**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
St. Joseph Institute for the Deaf
Chesterfield, Missouri

We have audited the accompanying statement of financial position of St. Joseph Institute for the Deaf (the "Institute"), a not-for-profit organization, as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the Institute. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of St. Joseph Institute for the Deaf as of June 30, 2007 were audited by other auditors whose report dated September 27, 2007 expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2008 financial statements referred to above present fairly, in all material respects, the financial position of St. Joseph Institute for the Deaf as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages 17 through 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Stone Carlie & Company, L.L.C.

October 22, 2008

ST. JOSEPH INSTITUTE FOR THE DEAF

STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2008	2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$523,376	\$1,056,789
Investments	3,303,850	4,648,878
Accounts receivable, less allowance for doubtful accounts of \$77,832 in 2008 and \$78,500 in 2007	430,316	148,775
Promises to give	951,900	1,062,199
Inventory	8,215	32,704
Prepaid expenses and other assets	76,567	49,730
Fair value of interest rate swap	-	54,584
TOTAL CURRENT ASSETS	5,294,224	7,053,659
PROMISES TO GIVE , Less allowance for doubtful accounts of \$5,000 in 2007, none for 2008	153,332	489,418
PROPERTY AND EQUIPMENT	8,894,230	9,226,080
DEFERRED LOAN FEES	45,101	48,108
ASSETS RESTRICTED FOR ENDOWMENT , Less allowance for doubtful accounts of \$17,500 in 2008 and 2007	1,893,215	1,773,916
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	149,265	149,265
	<u>\$16,429,367</u>	<u>\$18,740,446</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$164,190	\$154,768
Accounts payable	95,577	41,957
Accrued expenses	254,426	253,543
Deferred revenue	2,650	5,811
Fair value of interest rate swap	123,714	-
TOTAL CURRENT LIABILITIES	640,557	456,079
LONG-TERM DEBT , Less current maturities	4,780,513	4,944,703
TOTAL LIABILITIES	5,421,070	5,400,782
NET ASSETS		
Unrestricted:		
Undesignated	376,391	1,087,893
Board designated for scholarships	3,656,796	4,261,252
Investment in property and equipment	3,949,527	4,126,609
Total unrestricted	7,982,714	9,475,754
Temporarily restricted	998,616	1,940,729
Permanently restricted	2,026,967	1,923,181
TOTAL NET ASSETS	11,008,297	13,339,664
	<u>\$16,429,367</u>	<u>\$18,740,446</u>

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

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ST. JOSEPH INSTITUTE FOR THE DEAF

STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

	Unrestricted	Temporarily Unrestricted	Permanently Restricted	Total
PROGRAM REVENUES				
Tuition	\$3,087,125	-	-	\$3,087,125
Tuition - financial aid	(661,400)	-	-	(661,400)
Audiology revenue	514,316	-	-	514,316
TOTAL PROGRAM REVENUES	<u>2,940,041</u>	<u>-</u>	<u>-</u>	<u>2,940,041</u>
EXPENSES				
Program services	5,528,343	-	-	5,528,343
Supporting activities:				
Management and general	690,709	-	-	690,709
Fundraising	647,174	-	-	647,174
TOTAL SUPPORTING ACTIVITIES	<u>1,337,883</u>	<u>-</u>	<u>-</u>	<u>1,337,883</u>
TOTAL EXPENSES	<u>6,866,226</u>	<u>-</u>	<u>-</u>	<u>6,866,226</u>
EXPENSES IN EXCESS OF PROGRAM REVENUES	<u>(3,926,185)</u>	<u>-</u>	<u>-</u>	<u>(3,926,185)</u>
SUPPORT				
United Way of Greater St. Louis	5,472	\$240,304	-	245,776
Contributions and gifts	1,118,965	309,201	\$103,786	1,531,952
Special events and fundraisers	443,049	-	-	443,049
Net assets released from restrictions	1,249,695	(1,249,695)	-	-
TOTAL SUPPORT	<u>2,817,181</u>	<u>(700,190)</u>	<u>103,786</u>	<u>2,220,777</u>
OTHER INCOME (EXPENSES)				
Interest and dividends	90,374	40,281	-	130,655
Realized losses on sale of investments	(179,040)	(74,772)	-	(253,812)
Unrealized losses on investments	(425,416)	(207,432)	-	(632,848)
Rental income	121,595	-	-	121,595
Miscellaneous	8,451	-	-	8,451
TOTAL OTHER INCOME (EXPENSE)	<u>(384,036)</u>	<u>(241,923)</u>	<u>-</u>	<u>(625,959)</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(1,493,040)</u>	<u>(942,113)</u>	<u>103,786</u>	<u>(2,331,367)</u>
NET ASSETS, Beginning of year	<u>9,475,754</u>	<u>1,940,729</u>	<u>1,923,181</u>	<u>13,339,664</u>
NET ASSETS, End of year	<u>\$7,982,714</u>	<u>\$998,616</u>	<u>\$2,026,967</u>	<u>\$11,008,297</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

STATEMENT OF ACTIVITIES

Year Ended June 30, 2007

	Unrestricted	Temporarily Unrestricted	Permanently Restricted	Total
PROGRAM REVENUES				
Tuition	\$2,948,885	-	-	\$2,948,885
Tuition - financial aid	(621,590)	-	-	(621,590)
Audiology revenue	641,730	-	-	641,730
TOTAL PROGRAM REVENUES	<u>2,969,025</u>	<u>-</u>	<u>-</u>	<u>2,969,025</u>
EXPENSES				
Program services	5,315,746	-	-	5,315,746
Supporting activities:				
Management and general	727,473	-	-	727,473
Fundraising	488,556	-	-	488,556
TOTAL SUPPORTING ACTIVITIES	<u>1,216,029</u>	<u>-</u>	<u>-</u>	<u>1,216,029</u>
TOTAL EXPENSES	<u>6,531,775</u>	<u>-</u>	<u>-</u>	<u>6,531,775</u>
EXPENSES IN EXCESS OF PROGRAM REVENUES	<u>(3,562,750)</u>	<u>-</u>	<u>-</u>	<u>(3,562,750)</u>
SUPPORT				
United Way of Greater St. Louis	4,490	\$237,980	-	242,470
Contributions and gifts	1,488,341	1,610,331	\$67,846	3,166,518
Special events and fundraisers	454,454	-	-	454,454
Net assets released from restrictions	1,665,868	(1,665,868)	-	-
TOTAL SUPPORT	<u>3,613,153</u>	<u>182,443</u>	<u>67,846</u>	<u>3,863,442</u>
OTHER INCOME (EXPENSE)				
Interest and dividends	140,908	41,171	-	182,079
Realized gains on sale of investments	487,395	159,343	-	646,738
Unrealized losses on investments	(134,458)	-	-	(134,458)
Rental income	126,918	-	-	126,918
Miscellaneous	4,645	-	-	4,645
Change in value of beneficial interest in perpetual trusts	-	-	10,319	10,319
TOTAL OTHER INCOME (EXPENSE)	<u>625,408</u>	<u>200,514</u>	<u>10,319</u>	<u>836,241</u>
INCREASE IN NET ASSETS	<u>675,811</u>	<u>382,957</u>	<u>78,165</u>	<u>1,136,933</u>
NET ASSETS, Beginning of year	<u>8,799,943</u>	<u>1,557,772</u>	<u>1,845,016</u>	<u>12,202,731</u>
NET ASSETS, End of year	<u>\$9,475,754</u>	<u>\$1,940,729</u>	<u>\$1,923,181</u>	<u>\$13,339,664</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

STATEMENTS OF CASH FLOWS

	<u>Years Ended June 30,</u>	
	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	(\$2,331,367)	\$1,136,933
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Realized losses (gains) on sale of investments	253,812	(646,738)
Unrealized losses on investments	632,848	134,458
Contributions restricted for permanent investment	(103,786)	(67,846)
Change in value of beneficial interest in perpetual trusts	-	(10,319)
Decrease in fair value of interest rate swap	178,298	18,901
Depreciation and amortization	438,933	421,860
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(281,541)	209,041
Inventory	24,489	(18,173)
Promises to give	446,385	(247,686)
Prepaid expenses and other assets	(23,830)	30,415
Increase (decrease) in liabilities:		
Accounts payable	53,620	(44,589)
Accrued expenses	883	32,920
Deferred revenue	(3,161)	(2,184)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(714,417)</u>	<u>946,993</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(4,238,426)	(4,581,371)
Proceeds from sale of investments	4,548,709	3,608,540
Payments for property and equipment	(107,083)	(385,606)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>203,200</u>	<u>(1,358,437)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for endowment	132,572	193,916
Payments on long-term debt	(154,768)	(148,261)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(22,196)</u>	<u>45,655</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(533,413)	(365,789)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,056,789</u>	<u>1,422,578</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$523,376</u></u>	<u><u>\$1,056,789</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	<u><u>\$186,817</u></u>	<u><u>\$195,964</u></u>

ST. JOSEPH INSTITUTE FOR THE DEAF

NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

NOTE 1 - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Joseph Institute for the Deaf (the "Institute") is sponsored by the Sisters of St. Joseph of Carondelet and provides educational programs, speech therapy and training for hearing-impaired children at campuses in St. Louis, Missouri; Lenexa, Kansas; and Indianapolis, Indiana. The St. Louis campus also offers on-site audiology services to children and adults. The Institute has a program affiliate at the Carle Medical Center in Champaign-Urbana, Illinois.

Basis of Accounting

The financial statements of the Institute are prepared using the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Non-For-Profit Organizations*. Under SFAS No. 117, the Institute is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

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 will affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenue and expenses during the reporting period, and certain disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all financial instruments purchased with maturities of three months or less. The Institute places its temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Investments

Investments, including those restricted for endowment, are stated at fair market value. The fair market values are based on quoted market prices. For purposes of determining the gain or loss on a sale, the cost of the securities sold is based on specific identification or the average cost of the shares of each security held at the date of sale.

ST. JOSEPH INSTITUTE FOR THE DEAF

NOTE 1 - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Accounts Receivable and Promises to Give

Accounts receivable and promises to give are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a charge to bad debt expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after 90 days and after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable or promises to give. Changes in the valuation allowance have not been material to the financial statements.

Property and Equipment

Property and equipment are stated at cost when purchased or at fair value on the date received as a donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years. Expenditures for major renewals and improvements which increase the useful lives of assets are capitalized. Maintenance and repairs are expensed as incurred.

Deferred Revenue

Program revenue received by the Institute for a forthcoming year is reflected as a liability on the Statement of Financial Position until the year earned, at which time the income is recognized.

Derivative Instruments and Hedging Activities

The Institute accounts for derivatives and hedging activities in accordance with FASB Statement No. 133, *Accounting for Derivative Instruments and Certain Hedging Activities*, as amended. The Institute uses an interest rate swap agreement to manage interest rate volatility related to variable rate debt. The Institute records unrealized gains and losses in the Statement of Activities. The Institute does not speculate using derivative instruments.

Restricted and Unrestricted Support and Revenue

The Institute reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Institute reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Institute reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

ST. JOSEPH INSTITUTE FOR THE DEAF

NOTE 1 - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description of Program Services and Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements:

Program

Includes those expenditures that enable the Institute to provide a program of education and training for deaf students.

Management and General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Institute's program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Institute.

Fundraising

Provides the structure necessary to encourage and secure private financial support from corporations, foundations and individuals.

Expense Allocation

Expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Institute.

Financial Aid

Financial aid is awarded to students who show economic need. Tuition revenue includes scholarships of \$661,400 in 2008 and \$621,590 in 2007.

Tax Status

The Internal Revenue Service has issued a group ruling with respect to the federal tax status of the Institute and other organizations listed in the 2005 edition of the Official Catholic Directory. The ruling exempts the Institute from federal income taxes and permits the deductibility for federal income tax purposes of contributions to the Institute.

Fair Value

The carrying amounts of accounts receivable, current promises to give and accounts payable and accrued expenses approximate fair value due to the short period to maturity. The long-term promises to give, liabilities under split-interest agreements, and bonds payable approximate fair value due to the similarity of the discount or interest rates with the rates of return on investments with similar maturities.

ST. JOSEPH INSTITUTE FOR THE DEAF

NOTE 2 - INVESTMENTS AND ASSETS RESTRICTED FOR ENDOWMENT

Investments and assets restricted for endowment consist of:

	June 30,			
	2008		2007	
	Cost	Fair Value	Cost	Fair Value
Money market	\$261,609	\$261,609	\$877,069	\$877,069
U.S. Government and agency securities	242,056	250,076	754,758	742,231
Corporate bonds	1,339,357	1,353,113	943,964	949,613
Municipal bonds	25,000	25,118	75,000	75,022
Common stocks	3,756,855	3,235,313	3,553,694	3,693,750
	<u>5,624,877</u>	<u>5,125,229</u>	<u>6,204,485</u>	<u>6,337,685</u>
Less: assets restricted for endowment	<u>1,998,941</u>	<u>1,821,379</u>	<u>1,653,313</u>	<u>1,688,807</u>
Amount reported as investments	<u>\$3,625,936</u>	<u>\$3,303,850</u>	<u>\$4,551,172</u>	<u>\$4,648,878</u>

Investments are carried at fair value in accordance with accounting principles generally accepted in the United States of America. Unrealized losses of \$632,848 in 2008 and \$134,458 in 2007 were recorded to adjust the investments to fair value.

Assets restricted for endowment consist of:

	June 30,	
	2008	2007
Investments - per above table	\$1,821,379	\$1,688,807
Promises to give, net of allowance for doubtful accounts of \$17,500	<u>71,836</u>	<u>85,109</u>
	<u>\$1,893,215</u>	<u>\$1,773,916</u>

Investment expenses incurred for 2008 and 2007 amounted to approximately \$38,800 and \$18,500, respectively.

ST. JOSEPH INSTITUTE FOR THE DEAF

NOTE 3 - PROMISES TO GIVE

Promises to give at June 30, 2008 consist of the following:

	Temporarily Restricted			Total	Permanently Restricted	Total
	St. Louis Fund	Kansas City Fund	Indian-apolis Fund		Endowment Fund	
Promises due in less than one year	\$436,050	\$287,549	\$228,301	\$951,900	\$30,500	\$982,400
Promises due in one to five years	-	100,000	61,000	161,000	63,000	224,000
	<u>436,050</u>	<u>387,549</u>	<u>289,301</u>	<u>1,112,900</u>	<u>93,500</u>	<u>1,206,400</u>
Less: discount	-	4,763	2,905	7,668	4,164	11,832
Less: allowance for doubtful accounts	-	-	-	-	17,500	17,500
	<u>\$436,050</u>	<u>\$382,786</u>	<u>\$286,396</u>	<u>\$1,105,232</u>	<u>\$71,836</u>	<u>\$1,177,068</u>

Promises to give at June 30, 2007 consist of the following:

	Temporarily Restricted			Total	Permanently Restricted	Total
	St. Louis Fund	Kansas City Fund	Indian-apolis Fund		Endowment Fund	
Promises due in less than one year	\$601,257	\$241,867	\$219,075	\$1,062,199	\$23,700	\$1,085,899
Promises due in one to five years	310,000	210,000	130,000	650,000	94,800	744,800
	<u>911,257</u>	<u>451,867</u>	<u>349,075</u>	<u>1,712,199</u>	<u>118,500</u>	<u>1,830,699</u>
Less: discount	107,490	29,605	18,487	155,582	15,891	171,473
Less: allowance for doubtful accounts	5,000	-	-	5,000	17,500	22,500
	<u>\$798,767</u>	<u>\$422,262</u>	<u>\$330,588</u>	<u>\$1,551,617</u>	<u>\$85,109</u>	<u>\$1,636,726</u>

The Endowment Fund promises to give are permanently restricted and are reported in the statement of financial position as assets restricted for endowment (Note 2).

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NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of:

	June 30,	
	2008	2007
Building and improvements - Chesterfield	\$11,442,222	\$11,425,559
Building improvements - Indianapolis	156,422	111,027
Building improvements - Kansas	359,435	359,435
Furniture and equipment	1,687,631	1,642,605
Automobiles	168,675	168,935
	13,814,385	13,707,561
Less: accumulated depreciation and amortization	4,920,155	4,481,481
	<u>\$8,894,230</u>	<u>\$9,226,080</u>

Depreciation and amortization expense amount to \$438,933 in 2008 and \$418,853 in 2007, respectively.

NOTE 5 - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

Beneficial interest in perpetual trusts consist of unconditional promises to give from perpetual trusts created by independent donors, which are not in the possession or control of the Institute but are held and administered by independent bank trustees. The Institute, along with other specified not-for-profit organizations, is a beneficiary of these trusts. The Institute only derives income from these trusts, which is included in "interest and dividends" on the statement of activities. The Institute has recorded the promises to give at the present value of the future cash flows from the trusts. This present value was estimated to be equivalent to the Institute's share of the current fair value of the trusts. At June 30, 2007, the Institute's share of the increase in the value of the trusts was \$10,319.

NOTE 6 - LONG-TERM DEBT

On December 19, 1996, \$7,000,000 in tax-exempt bonds, secured by real estate and equipment, were issued by the Industrial Development Authority of Chesterfield on behalf of the Institute. Under the original terms of the bonds, they matured in December 2016. Principal payments on the bonds were payable in monthly installments and began in January 1998. Interest on the bonds was payable in monthly installments and began in January 1997. The bonds bore interest at 5.375% from January 1997 through December 31, 2001 and 4.060% from January 2002 through December 2006.

ST. JOSEPH INSTITUTE FOR THE DEAF

NOTE 6 - LONG-TERM DEBT *(Continued)*

During 2004, the Institute refinanced its bond agreement. The principal balance remained unchanged but the maturity date was extended until November 2023. Additionally, the new agreement provided for interest at a fluctuating rate per annum equal to 65% of the LIBOR rate plus 150 basis points. The Institute entered into a contract with a lender to manage its exposure to interest rate risk (Note 7). The outstanding balance of these bonds payable at June 30, 2008 and 2007 is \$3,694,903 and \$3,849,671, respectively. Loan fees incurred to issue the bonds are deferred and will be amortized through 2023 in the amount of \$3,007 per year. The unamortized loan fees at June 30, 2008 and 2007 amount to \$45,101 and \$48,108, respectively. Interest expense incurred on the bonds for 2008 and 2007 amounted to \$180,455 and \$194,199, respectively.

Under the terms of this agreement, the Institute must maintain a cushion ratio, as defined in the bond agreement, of at least 115% through the final maturity date of the bond. As of June 30, 2008 and 2007, the Institute was in compliance with the cushion ratio requirement.

During August 2000, the Institute entered into a note agreement with the Sisters of St. Joseph of Carondelet. The note bears no interest and is secured by real estate. The principal amount of the note is payable upon the earliest of the following: the sale by the Institute of the real estate in Chesterfield, Missouri, the merger or dissolution of the Institute, and such time as the Sisters of St. Joseph of Carondelet cease to sponsor the Institute. The outstanding balance of the note payable at June 30, 2008 and 2007 is \$1,249,800.

The aggregate scheduled maturities of long-term debt at June 30, 2008 are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$164,190
2010	172,005
2011	180,752
2012	189,518
2013	198,807
Thereafter	<u>4,039,431</u>
	<u>\$4,944,703</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

NOTE 7 - INTEREST RATE SWAP

During the year ended June 30, 2004, the Institute entered into a contract to hedge the interest rate exposure on a financing agreement (Note 6). Under this interest rate swap agreement, which was entered into with a major financial institution, the Institute pays a fixed rate of 4.89% and received a floating rate based on 65% of the one-month LIBOR rate plus 150 basis points, with payments calculated on an amortizable notional amount with an initial balance approximating \$4,348,000. This agreement expires in November 2023. The swap is an instrument designed to manage the Institute's exposure to interest rate risk during the remaining life of the bonds payable. The swap is settled monthly, marked to market at each reporting date and the change in fair value is recognized in the Statement of Activities currently. As a result of this mark-to-market at June 30, 2008 the Institute has recorded a liability of \$123,714 and at June 30, 2007 an asset of \$54,584.

NOTE 8 - NET ASSETS

Temporarily restricted net assets are subject to the following donor-imposed restrictions at June 30, 2008:

	<u>St. Louis</u>	<u>Kansas City</u>	<u>Indianapolis</u>	<u>Total</u>
Time restrictions:				
Donated artwork	\$45,000	-	-	\$45,000
United Way contribution	120,150	-	-	120,150
Oberkotter pledges	310,000	\$245,237	\$117,096	672,333
Other grants/pledges	14,769	12,856	272,949	300,574
Purpose restrictions:				
Building renovations	-	-	11,000	11,000
Financial aid	(150,441)	-	-	(150,441)
	<u>\$339,478</u>	<u>\$258,093</u>	<u>\$401,045</u>	<u>\$998,616</u>

Net assets were released from donor-imposed restrictions in 2008 as follows:

	<u>St. Louis</u>	<u>Kansas City</u>	<u>Indianapolis</u>	<u>Total</u>
Building renovations	-	-	\$4,000	\$4,000
Oberkotter funding	\$258,766	\$130,933	75,000	464,699
Other grants/pledges	23,670	48,894	201,790	274,354
Financial aid	264,874	-	-	264,874
United Way contribution	241,768	-	-	241,768
	<u>\$789,078</u>	<u>\$179,827</u>	<u>\$280,790</u>	<u>\$1,249,695</u>

The Institute has adopted the policy of reporting match contributions as unrestricted in the year in which the support has been earned, regardless of whether the cash has been received.

ST. JOSEPH INSTITUTE FOR THE DEAF

NOTE 8 - NET ASSETS *(Continued)*

Temporarily restricted net assets are subject to the following donor-imposed restrictions at June 30, 2007:

	<u>St. Louis</u>	<u>Kansas City</u>	<u>Indianapolis</u>	<u>Total</u>
Time restrictions:				
Donated artwork	\$45,000	-	-	\$45,000
United Way contribution	121,614	-	-	121,614
Oberkotter pledges	532,509	\$300,395	\$176,514	1,009,418
Other grants/pledges	32,539	31,908	454,739	519,186
Purpose restrictions:				
Building renovations	-	-	15,000	15,000
Financial aid	230,511	-	-	230,511
	<u>\$962,173</u>	<u>\$332,303</u>	<u>\$646,253</u>	<u>\$1,940,729</u>

Net assets were released from donor-imposed restrictions in 2007 as follows:

	<u>St. Louis</u>	<u>Kansas City</u>	<u>Indianapolis</u>	<u>Total</u>
Building renovations	-	\$150,241	\$9,000	\$159,241
Oberkotter funding	\$350,000	242,735	99,175	691,910
Other grants/pledges	27,833	80,749	45,262	153,844
Financial aid	419,490	-	-	419,490
United Way contribution	241,383	-	-	241,383
	<u>\$1,038,706</u>	<u>\$473,725</u>	<u>\$153,437</u>	<u>\$1,665,868</u>

Permanently restricted net assets consist of funds totaling \$2,026,967 and \$1,923,181 at June 30, 2008 and 2007, respectively. The earnings on these funds are to be used for financial aid.

NOTE 9 - DEFERRED COMPENSATION PLANS

Under a service agreement effective July 1, 1993, the Institute commenced contributions to the Sisters of St. Joseph of Carondelet - St. Louis Province for the retirement needs of the Sisters. The Institute contributes 9.65% of the Sisters' paid salaries.

The Institute began a tax-deferred annuity plan under Section 403(b) in 1996 which allows eligible employees to make tax-deferred contributions. The plan provides for Institute contributions of 2% of eligible employees' salaries and matching contributions up to 2% of eligible salaries.

Total retirement costs charged to operations amounted to \$105,468 in 2008 and \$89,803 in 2007.

ST. JOSEPH INSTITUTE FOR THE DEAF

NOTE 10 - COMMITMENTS

The Institute routinely enters into annual employment contracts with faculty.

During 2005, the Institute entered into a new lease commitment for the Indianapolis location. The lease requires monthly payments totaling \$8,015 and expires in June 2011. During 2006, the Institute entered into a new lease commitment for the Kansas City location. The monthly lease payments begin at \$8,211 and increase through the term of the lease, which expires in August 2013. The lease for the Kansas City location also requires \$240 per month common area maintenance fees.

The future minimum rental commitments required under the leases are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$194,703
2010	204,967
2011	218,216
2012	123,159
2013	123,159
Thereafter	10,263
	<u>\$874,467</u>

Rent expense incurred under these leases totaled \$195,094 in 2008 and \$212,143 in 2007.

SUPPLEMENTAL INFORMATION

ST. JOSEPH INSTITUTE FOR THE DEAF

COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2008

ASSETS	Unrestricted			Temporarily Restricted				Total Temporarily Restricted	Permanently Restricted Endowment	Total
	St. Louis	Kansas City	Indianapolis	Total Unrestricted	St. Louis	Kansas City	Indianapolis			
CURRENT ASSETS										
Cash and cash equivalents	\$343,773	\$51,422	\$67,113	\$462,308	\$61,068	-	-	\$61,068	-	\$523,376
Investments	3,303,850	-	-	3,303,850	-	-	-	-	-	3,303,850
Accounts receivable	185,649	53,160	191,507	430,316	-	-	-	-	-	430,316
Promises to give	-	137,549	138,301	275,850	436,050	\$150,000	\$90,000	676,050	-	951,900
Inventory	8,215	-	-	8,215	-	-	-	-	-	8,215
Prepaid expenses and other assets	49,515	9,741	17,311	76,567	-	-	-	-	-	76,567
Due from other funds	1,401,991	-	-	1,401,991	-	12,856	252,950	265,806	-	1,667,797
TOTAL CURRENT ASSETS	5,292,993	251,872	414,232	5,959,097	497,118	162,856	342,950	1,002,924	-	6,962,021
PROMISES TO GIVE	-	-	-	-	-	\$95,237	\$58,095	153,332	-	153,332
PROPERTY AND EQUIPMENT	8,438,899	288,433	121,898	8,849,230	45,000	-	-	45,000	-	8,894,230
DEFERRED LOAN FEES	45,101	-	-	45,101	-	-	-	-	-	45,101
ASSETS RESTRICTED FOR ENDOWMENT	-	-	-	-	-	-	-	-	\$1,893,215	1,893,215
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	-	-	-	-	-	-	-	-	149,265	149,265
	8,484,000	288,433	121,898	8,894,331	45,000	95,237	58,095	198,332	2,042,480	11,135,143
	\$13,776,993	\$540,305	\$536,130	\$14,853,428	\$542,118	\$258,093	\$401,045	\$1,201,256	\$2,042,480	\$18,097,164
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES										
Current maturities of long-term debt	\$164,190	-	-	\$164,190	-	-	-	-	-	\$164,190
Accounts payable	95,577	-	-	95,577	-	-	-	-	-	95,577
Accrued expenses	164,464	\$42,472	\$47,490	254,426	-	-	-	-	-	254,426
Deferred revenue	2,650	-	-	2,650	-	-	-	-	-	2,650
Due to other funds	-	855,852	593,792	1,449,644	\$202,640	-	-	\$202,640	\$15,513	1,667,797
Fair value of interest rate swap	123,714	-	-	123,714	-	-	-	-	-	123,714
TOTAL CURRENT LIABILITIES	550,595	898,324	641,282	2,090,201	202,640	-	-	202,640	15,513	2,308,354
LONG-TERM DEBT	4,780,513	-	-	4,780,513	-	-	-	-	-	4,780,513
NET ASSETS										
Unrestricted	8,445,885	(358,019)	(105,152)	7,982,714	-	-	-	-	-	7,982,714
Temporarily restricted	-	-	-	-	339,478	\$258,093	\$401,045	998,616	-	998,616
Permanently restricted	-	-	-	-	-	-	-	-	2,026,967	2,026,967
TOTAL NET ASSETS	8,445,885	(358,019)	(105,152)	7,982,714	339,478	258,093	401,045	998,616	2,026,967	11,008,297
	\$13,776,993	\$540,305	\$536,130	\$14,853,428	\$542,118	\$258,093	\$401,045	\$1,201,256	\$2,042,480	\$18,097,164

ST. JOSEPH INSTITUTE FOR THE DEAF

COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2007

ASSETS	Unrestricted			Temporarily Restricted				Total Temporarily Restricted	Permanently Restricted Endowment	Total
	St. Louis	Kansas City	Indianapolis	Total Unrestricted	St. Louis	Kansas City	Indianapolis			
CURRENT ASSETS										
Cash and cash equivalents	\$659,797	\$97,563	\$71,310	\$828,670	\$228,119	-	-	\$228,119	-	\$1,056,789
Investments	4,648,878	-	-	4,648,878	-	-	-	-	-	4,648,878
Accounts receivable	61,293	30,295	57,187	148,775	-	-	-	-	-	148,775
Promises to give	109,713	120,867	139,075	369,655	491,544	\$121,000	\$80,000	692,544	-	1,062,199
Inventory	32,704	-	-	32,704	-	-	-	-	-	32,704
Prepaid expenses and other assets	22,292	9,786	17,652	49,730	-	-	-	-	-	49,730
Due from other funds	671,623	-	-	671,623	-	30,908	454,740	485,648	-	1,157,271
Fair value of interest rate swap	54,584	-	-	54,584	-	-	-	-	-	54,584
TOTAL CURRENT ASSETS	6,260,884	258,511	285,224	6,804,619	719,663	151,908	534,740	1,406,311	-	8,210,930
PROMISES TO GIVE	-	-	-	-	197,510	180,395	111,513	489,418	-	489,418
PROPERTY AND EQUIPMENT	8,721,161	346,796	113,123	9,181,080	45,000	-	-	45,000	-	9,226,080
DEFERRED LOAN FEES	48,108	-	-	48,108	-	-	-	-	-	48,108
ASSETS RESTRICTED FOR ENDOWMENT	-	-	-	-	-	-	-	-	\$1,773,916	1,773,916
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	-	-	-	-	242,510	180,395	111,513	534,418	149,265	1,492,653
	8,769,269	346,796	113,123	9,229,188	242,510	180,395	111,513	534,418	1,923,181	11,686,787
	\$15,030,153	\$605,307	\$398,347	\$16,033,807	\$962,173	\$332,303	\$646,253	\$1,940,729	\$1,923,181	\$19,897,717
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES										
Current maturities of long-term debt	\$154,768	-	-	\$154,768	-	-	-	-	-	\$154,768
Accounts payable	41,957	-	-	41,957	-	-	-	-	-	41,957
Accrued expenses	181,024	\$39,918	\$32,601	253,543	-	-	-	-	-	253,543
Deferred revenue	3,739	2,051	21	5,811	-	-	-	-	-	5,811
Due to other funds	69,772	719,923	367,576	1,157,271	-	-	-	-	-	1,157,271
	451,260	761,892	400,198	1,613,350	-	-	-	-	-	1,613,350
TOTAL CURRENT LIABILITIES	4,944,703	-	-	4,944,703	-	-	-	-	-	4,944,703
LONG-TERM DEBT										
	9,634,190	(156,585)	(1,851)	9,475,754	\$962,173	\$332,303	\$646,253	\$1,940,729	-	9,475,754
NET ASSETS										
Unrestricted	-	-	-	-	-	-	-	-	-	-
Temporarily restricted	-	-	-	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	9,634,190	(156,585)	(1,851)	9,475,754	962,173	332,303	646,253	1,940,729	\$1,923,181	13,339,664
	\$15,030,153	\$605,307	\$398,347	\$16,033,807	\$962,173	\$332,303	\$646,253	\$1,940,729	\$1,923,181	\$19,897,717

See independent auditors' report.

ST. JOSEPH INSTITUTE FOR THE DEAF

COMBINING STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

	Unrestricted			Temporarily Restricted				Total	Temporarily Restricted	Permanently Restricted	Total
	St. Louis	Kansas City	Indianapolis	Unrestricted	St. Louis	Kansas City	Indianapolis	Restricted	Restricted	Endowment	Total
PROGRAM REVENUES											
Tuition	\$2,064,669	\$526,433	\$496,023	\$3,087,125	-	-	-	-	-	-	\$3,087,125
Tuition - financial aid	(576,300)	(85,100)	-	(661,400)	-	-	-	-	-	-	(661,400)
Audiology revenue	514,316	-	-	514,316	-	-	-	-	-	-	514,316
TOTAL PROGRAM REVENUES	2,002,685	441,333	496,023	2,940,041	-	-	-	-	-	-	2,940,041
EXPENSES											
Program services	3,787,664	872,460	868,219	5,528,343	-	-	-	-	-	-	5,528,343
Supporting activities:											
Management and general	433,291	128,446	128,972	690,709	-	-	-	-	-	-	690,709
Fundraising	447,050	64,131	135,993	647,174	-	-	-	-	-	-	647,174
TOTAL SUPPORTING ACTIVITIES	880,341	192,577	264,965	1,337,883	-	-	-	-	-	-	1,337,883
TOTAL EXPENSES	4,668,005	1,065,037	1,133,184	6,866,226	-	-	-	-	-	-	6,866,226
EXPENSES IN EXCESS OF PROGRAM REVENUES	(2,665,320)	(623,704)	(637,161)	(3,926,185)	-	-	-	-	-	-	(3,926,185)
SUPPORT											
United Way of Greater St. Louis	1,088	3,252	1,132	5,472	\$240,304	-	-	\$240,304	-	-	245,776
Contributions and gifts	689,398	239,002	190,565	1,118,965	168,002	\$105,617	\$35,582	309,201	\$103,786	-	1,531,952
Special events and fundraisers	381,874	-	61,175	443,049	-	-	-	-	-	-	443,049
Net assets released from restrictions	789,078	179,827	280,790	1,249,695	(789,078)	(179,827)	(280,790)	(1,249,695)	-	-	-
TOTAL SUPPORT	1,861,438	422,081	533,662	2,817,181	(380,772)	(74,210)	(245,208)	(700,190)	103,786	-	2,220,777
OTHER INCOME (EXPENSE)											
Interest and dividends	90,206	-	168	90,374	40,281	-	-	40,281	-	-	130,655
Realized losses on sale of investments	(179,040)	-	-	(179,040)	(74,772)	-	-	(74,772)	-	-	(253,812)
Unrealized losses on investments	(425,416)	-	-	(425,416)	(207,432)	-	-	(207,432)	-	-	(632,848)
Rental income	121,595	-	-	121,595	-	-	-	-	-	-	121,595
Miscellaneous	8,232	189	30	8,451	-	-	-	-	-	-	8,451
TOTAL OTHER INCOME (EXPENSE)	(384,423)	189	198	(384,036)	(241,923)	-	-	(241,923)	-	-	(625,959)
INCREASE (DECREASE) IN NET ASSETS	(1,188,305)	(201,434)	(103,301)	(1,493,040)	(622,695)	(74,210)	(245,208)	(942,113)	103,786	-	(2,331,367)
NET ASSETS, Beginning of year	9,634,190	(156,585)	(1,851)	9,475,754	962,173	332,303	646,253	1,940,729	1,923,181	-	13,339,664
NET ASSETS, End of year	\$8,445,885	(\$358,019)	(\$105,152)	\$7,982,714	\$339,478	\$258,093	\$401,045	\$998,616	\$2,026,967	-	\$11,008,297

See independent auditors' report.

ST. JOSEPH INSTITUTE FOR THE DEAF

COMBINING STATEMENT OF ACTIVITIES

Year Ended June 30, 2007

	Unrestricted			Temporarily Restricted				Total Temporarily Restricted	Permanently Restricted Endowment	Total
	St. Louis	Kansas City	Indianapolis	Unrestricted	St. Louis	Kansas City	Indianapolis			
PROGRAM REVENUES										
Tuition	\$1,952,684	\$556,991	\$439,210	\$2,948,885	-	-	-	-	-	\$2,948,885
Tuition - financial aid	(526,742)	(93,188)	(1,660)	(621,590)	-	-	-	-	-	(621,590)
Audiology revenue	641,730	-	-	641,730	-	-	-	-	-	641,730
TOTAL PROGRAM REVENUES	2,067,672	463,803	437,550	2,969,025	-	-	-	-	-	2,969,025
EXPENSES										
Program services	3,741,630	868,148	705,968	5,315,746	-	-	-	-	-	5,315,746
Supporting activities:										
Management and general	480,595	120,164	126,714	727,473	-	-	-	-	-	727,473
Fundraising	346,640	68,648	73,268	488,556	-	-	-	-	-	488,556
TOTAL SUPPORTING ACTIVITIES	827,235	188,812	199,982	1,216,029	-	-	-	-	-	1,216,029
TOTAL EXPENSES	4,568,865	1,056,960	905,950	6,531,775	-	-	-	-	-	6,531,775
EXPENSES IN EXCESS OF PROGRAM REVENUES	(2,501,193)	(593,157)	(468,400)	(3,562,750)	-	-	-	-	-	(3,562,750)
SUPPORT										
United Way of Greater St. Louis	2,850	706	934	4,490	\$237,980	-	-	\$237,980	-	242,470
Contributions and gifts	1,147,096	180,721	160,524	1,488,341	383,595	\$550,221	\$676,515	1,610,331	\$67,846	3,166,518
Special events and fundraisers	361,774	-	92,680	454,454	-	-	-	-	-	454,454
Net assets released from restrictions	1,038,706	473,725	153,437	1,665,868	(1,038,706)	(473,725)	(153,437)	(1,665,868)	-	-
TOTAL SUPPORT	2,550,426	655,152	407,575	3,613,153	(417,131)	76,496	523,078	182,443	67,846	3,863,442
OTHER INCOME (EXPENSES)										
Interest and dividends	139,569	717	622	140,908	41,171	-	-	41,171	-	182,079
Realized gains on sale of investments	487,395	-	-	487,395	159,343	-	-	159,343	-	646,738
Unrealized losses on investments	(134,458)	-	-	(134,458)	-	-	-	-	-	(134,458)
Rental income	126,918	-	-	126,918	-	-	-	-	-	126,918
Miscellaneous	4,276	119	250	4,645	-	-	-	-	-	4,645
Change in value of beneficial interest in perpetual trusts	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER INCOME (EXPENSE)	623,700	836	872	625,408	200,514	-	-	200,514	10,319	836,241
INCREASE (DECREASE) IN NET ASSETS	672,933	62,831	(59,953)	675,811	(216,617)	76,496	523,078	382,957	78,165	1,136,933
NET ASSETS, Beginning of year	8,961,257	(219,416)	58,102	8,799,943	1,178,790	255,807	123,175	1,557,772	1,845,016	12,202,731
NET ASSETS, End of year	\$9,634,190	(\$156,585)	(\$1,851)	\$9,475,754	\$962,173	\$332,303	\$646,253	\$1,940,729	\$1,923,181	\$13,339,664

See independent auditors' report.

ST. JOSEPH INSTITUTE FOR THE DEAF

COMBINING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2008

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries	\$2,953,700	\$416,104	\$304,309	\$3,674,113
Payroll taxes	200,791	38,766	21,565	261,122
Health, dental and other insurance	181,046	17,969	22,764	221,779
Retirement	95,063	4,602	5,803	105,468
	<u>3,430,600</u>	<u>477,441</u>	<u>354,441</u>	<u>4,262,482</u>
Amortization of bond expense	735	9	6	750
Bad debt expense	19,737	960	6,100	26,797
Bank fees and credit card clearing	7,507	7,376	6,465	21,348
Depreciation and amortization	432,100	4,270	2,562	438,932
Due and subscriptions	12,243	4,744	2,904	19,891
Employee recruitment	1,549	5,359	235	7,143
Hospitality and recognition	7,226	8,135	35,225	50,586
Insurance	67,803	694	416	68,913
Interest	176,846	2,256	1,353	180,455
Interest rate swap - unrealized loss	178,298	-	-	178,298
Maintenance - building and grounds	171,696	2,026	928	174,650
Marketing and promotion	16,605	130	27,324	44,059
Miscellaneous	554	22,321	6,560	29,435
Network and Internet	23,526	3,078	125	26,729
Postage	637	10,960	7,543	19,140
Professional fees	52,213	85,499	67,876	205,588
Program expense	81,167	1,598	29,071	111,836
Purchases for resale - audiology	221,322	-	-	221,322
Real estate taxes	42,497	-	-	42,497
Rent	195,104	-	-	195,104
Repairs to furnishings and equipment	19,112	217	172	19,501
Residential meals	29,683	-	-	29,683
Special events and fundraisers	-	-	80,113	80,113
Stationery and office supplies	22,965	16,487	3,332	42,784
Telephone	28,597	605	206	29,408
Travel and conferences	91,786	34,329	12,890	139,005
Utilities	196,235	2,215	1,327	199,777
	<u>2,097,743</u>	<u>213,268</u>	<u>292,733</u>	<u>2,603,744</u>
	<u>\$5,528,343</u>	<u>\$690,709</u>	<u>\$647,174</u>	<u>\$6,866,226</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

COMBINING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2007

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries	\$2,819,905	\$432,464	\$235,166	\$3,487,535
Payroll taxes	192,448	31,197	16,976	240,621
Health, dental and other insurance	170,980	20,678	17,129	208,787
Retirement	76,024	9,600	4,179	89,803
	<u>3,259,357</u>	<u>493,939</u>	<u>273,450</u>	<u>4,026,746</u>
Amortization of bond expense	2,872	101	34	3,007
Bad debt expense	143,653	-	-	143,653
Bank fees and credit card clearing	-	18,024	-	18,024
Depreciation and amortization	412,072	5,086	1,695	418,853
Due and subscriptions	10,885	5,576	2,909	19,370
Employee recruitment	3,232	8,485	12,640	24,357
Hospitality and recognition	6,687	6,878	5,757	19,322
Insurance	45,967	21,225	209	67,401
Interest	190,315	2,913	971	194,199
Interest rate swap - unrealized loss	18,901	-	-	18,901
Maintenance - building and grounds	179,013	1,994	565	181,572
Marketing and promotion	28,343	474	19,201	48,018
Miscellaneous	7,518	4,169	9,153	20,840
Network and Internet	21,955	3,750	83	25,788
Postage	3,014	9,775	5,610	18,399
Professional fees	37,776	85,283	50,299	173,358
Program expense	84,102	-	3,466	87,568
Purchases for resale - audiology	280,903	-	-	280,903
Real estate taxes	37,819	-	-	37,819
Rent	212,143	-	-	212,143
Repairs to furnishings and equipment	14,766	197	66	15,029
Residential meals	29,430	-	-	29,430
Special events and fundraisers	-	-	94,081	94,081
Stationery and office supplies	22,715	21,262	2,078	46,055
Telephone	26,421	187	62	26,670
Travel and conferences	53,397	35,784	5,437	94,618
Utilities	182,490	2,371	790	185,651
	<u>2,056,389</u>	<u>233,534</u>	<u>215,106</u>	<u>2,505,029</u>
	<u>\$5,315,746</u>	<u>\$727,473</u>	<u>\$488,556</u>	<u>\$6,531,775</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

SCHEDULE OF ST. LOUIS EXPENSES

Year Ended June 30, 2008

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries	\$1,954,332	\$319,602	\$196,168	\$2,470,102
Payroll taxes	128,997	25,157	13,684	167,838
Health, dental and other insurance	117,356	10,516	22,523	150,395
Retirement	69,972	2,692	3,881	76,545
	<u>2,270,657</u>	<u>357,967</u>	<u>236,256</u>	<u>2,864,880</u>
Administrative allocation to campuses	-	(70,000)	-	(70,000)
Amortization of bond expense	735	9	6	750
Bad debt expense	16,221	960	5,100	22,281
Bank fees and credit card clearing	7,459	3,688	4,248	15,395
Depreciation and amortization	334,782	4,270	2,562	341,614
Due and subscriptions	11,294	2,722	2,140	16,156
Employee recruitment	1,070	4,200	-	5,270
Hospitality and recognition	4,168	7,376	33,596	45,140
Insurance	54,381	694	416	55,491
Interest	176,846	2,256	1,353	180,455
Interest rate swap - unrealized loss	178,298	-	-	178,298
Maintenance - building and grounds	121,762	1,546	928	124,236
Marketing and promotion	16,173	-	3,436	19,609
Miscellaneous	462	19,344	6,320	26,126
Network and Internet	17,083	3,078	125	20,286
Postage	313	8,088	5,778	14,179
Professional fees	24,801	63,222	33,376	121,399
Program expense	46,595	928	25,744	73,267
Purchases for resale - audiology	221,322	-	-	221,322
Repairs to furnishings and equipment	18,611	217	130	18,958
Residential meals	29,683	-	-	29,683
Special events and fundraisers	-	-	72,331	72,331
Stationery and office supplies	10,759	8,116	1,494	20,369
Telephone	14,313	605	106	15,024
Travel and conferences	36,230	11,790	10,278	58,298
Utilities	173,646	2,215	1,327	177,188
	<u>1,517,007</u>	<u>75,324</u>	<u>210,794</u>	<u>1,803,125</u>
	<u>\$3,787,664</u>	<u>\$433,291</u>	<u>\$447,050</u>	<u>\$4,668,005</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

SCHEDULE OF ST. LOUIS EXPENSES

Year Ended June 30, 2007

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries	\$1,973,576	\$309,135	\$168,413	\$2,451,124
Payroll taxes	132,319	21,934	11,952	166,205
Health, dental and other insurance	108,057	19,085	16,758	143,900
Retirement	58,892	7,333	2,592	68,817
	<u>2,272,844</u>	<u>357,487</u>	<u>199,715</u>	<u>2,830,046</u>
Administrative allocation to campuses	-	(70,000)	-	(70,000)
Amortization of bond expense	2,872	101	34	3,007
Bad debt expense	100,854	-	-	100,854
Bank fees and credit card clearing	-	17,938	-	17,938
Depreciation and amortization	333,043	5,086	1,695	339,824
Due and subscriptions	9,507	4,341	2,909	16,757
Employee recruitment	914	8,294	4,240	13,448
Hospitality and recognition	2,958	4,787	990	8,735
Insurance	40,989	13,601	209	54,799
Interest	190,315	2,913	971	194,199
Interest rate swap - unrealized loss	18,901	-	-	18,901
Maintenance - building and grounds	110,683	1,694	565	112,942
Marketing and promotion	28,322	-	4,249	32,571
Miscellaneous	6,168	3,433	9,153	18,754
Network and Internet	16,839	3,438	83	20,360
Postage	2,109	7,060	3,834	13,003
Professional fees	21,588	78,577	35,059	135,224
Program expense	50,323	-	3,466	53,789
Purchases for resale - audiology	280,903	-	-	280,903
Repairs to furnishings and equipment	14,428	197	66	14,691
Residential meals	29,430	-	-	29,430
Special events and fundraisers	-	-	72,595	72,595
Stationery and office supplies	11,105	11,272	1,297	23,674
Telephone	12,671	187	62	12,920
Travel and conferences	28,972	27,818	4,658	61,448
Utilities	154,892	2,371	790	158,053
	<u>1,468,786</u>	<u>123,108</u>	<u>146,925</u>	<u>1,738,819</u>
	<u>\$3,741,630</u>	<u>\$480,595</u>	<u>\$346,640</u>	<u>\$4,568,865</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

SCHEDULE OF KANSAS CITY EXPENSES

Year Ended June 30, 2008

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries	\$481,499	\$41,672	\$16,808	\$539,979
Payroll taxes	35,026	5,738	1,142	41,906
Health, dental and other insurance	24,851	(1,403)	1,995	25,443
Retirement	13,611	750	-	14,361
	<u>554,987</u>	<u>46,757</u>	<u>19,945</u>	<u>621,689</u>
Administrative allocation to campuses	-	35,000	-	35,000
Bad debt expense	3,516	-	1,000	4,516
Bank fees and credit card clearing	48	1,835	1,182	3,065
Depreciation and amortization	59,528	-	-	59,528
Due and subscriptions	35	543	714	1,292
Employee recruitment	187	-	70	257
Hospitality and recognition	1,591	(1,114)	173	650
Insurance	8,658	-	-	8,658
Maintenance - building and grounds	29,615	320	-	29,935
Marketing and promotion	432	130	994	1,556
Miscellaneous	92	2,831	203	3,126
Network and Internet	3,054	-	-	3,054
Postage	157	1,433	224	1,814
Professional fees	16,097	19,150	34,500	69,747
Program expense	18,011	591	-	18,602
Real estate taxes	17,539	-	-	17,539
Rent	98,527	-	-	98,527
Special events and fundraisers	-	-	3,196	3,196
Stationery and office supplies	9,947	5,059	239	15,245
Telephone	8,838	-	100	8,938
Travel and conferences	30,435	15,911	1,591	47,937
Utilities	11,166	-	-	11,166
	<u>317,473</u>	<u>81,689</u>	<u>44,186</u>	<u>443,348</u>
	<u>\$872,460</u>	<u>\$128,446</u>	<u>\$64,131</u>	<u>\$1,065,037</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

SCHEDULE OF KANSAS CITY EXPENSES

Year Ended June 30, 2007

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries	\$463,121	\$60,343	\$19,979	\$543,443
Payroll taxes	33,460	4,408	1,525	39,393
Health, dental and other insurance	34,276	1,077	(11)	35,342
Retirement	9,944	608	303	10,855
	<u>540,801</u>	<u>66,436</u>	<u>21,796</u>	<u>629,033</u>
Administrative allocation to campuses	-	35,000	-	35,000
Bad debt expense	40,543	-	-	40,543
Bank fees and credit card clearing	-	53	-	53
Depreciation and amortization	47,079	-	-	47,079
Due and subscriptions	35	287	-	322
Employee recruitment	388	181	8,400	8,969
Hospitality and recognition	1,796	1,002	639	3,437
Insurance	4,023	3,604	-	7,627
Maintenance - building and grounds	39,332	-	-	39,332
Marketing and promotion	21	474	12,667	13,162
Miscellaneous	1,300	544	-	1,844
Network and Internet	2,229	-	-	2,229
Postage	800	1,411	484	2,695
Professional fees	11,217	3,455	12,000	26,672
Program expense	9,814	-	-	9,814
Real estate taxes	24,888	-	-	24,888
Rent	102,661	-	-	102,661
Special events and fundraisers	-	-	12,090	12,090
Stationery and office supplies	8,909	5,661	20	14,590
Telephone	7,460	-	-	7,460
Travel and conferences	8,959	2,056	552	11,567
Utilities	15,893	-	-	15,893
	<u>327,347</u>	<u>53,728</u>	<u>46,852</u>	<u>427,927</u>
	<u>\$868,148</u>	<u>\$120,164</u>	<u>\$68,648</u>	<u>\$1,056,960</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

SCHEDULE OF INDIANAPOLIS EXPENSES

Year Ended June 30, 2008

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries	\$517,869	\$54,830	\$91,333	\$664,032
Payroll taxes	36,768	7,871	6,739	51,378
Health, dental and other insurance	38,839	8,856	(1,754)	45,941
Retirement	11,480	1,160	1,922	14,562
	<u>604,956</u>	<u>72,717</u>	<u>98,240</u>	<u>775,913</u>
Administrative allocation to campuses	-	35,000	-	35,000
Bad debt expense	-	-	-	-
Bank fees and credit card clearing	-	1,853	1,035	2,888
Depreciation and amortization	37,790	-	-	37,790
Due and subscriptions	914	1,479	50	2,443
Employee recruitment	292	1,159	165	1,616
Hospitality and recognition	1,467	1,873	1,456	4,796
Insurance	4,764	-	-	4,764
Maintenance - building and grounds	20,319	160	-	20,479
Marketing and promotion	-	-	22,894	22,894
Miscellaneous	-	146	37	183
Network and Internet	3,389	-	-	3,389
Postage	167	1,439	1,541	3,147
Professional fees	11,315	3,127	-	14,442
Program expense	16,561	79	3,327	19,967
Real estate taxes	24,958	-	-	24,958
Rent	96,577	-	-	96,577
Repairs to furnishings and equipment	501	-	42	543
Special events and fundraisers	-	-	4,586	4,586
Stationery and office supplies	2,259	3,312	1,599	7,170
Telephone	5,446	-	-	5,446
Travel and conferences	25,121	6,628	1,021	32,770
Utilities	11,423	-	-	11,423
	<u>263,263</u>	<u>56,255</u>	<u>37,753</u>	<u>357,271</u>
	<u>\$868,219</u>	<u>\$128,972</u>	<u>\$135,993</u>	<u>\$1,133,184</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

SCHEDULE OF INDIANAPOLIS EXPENSES

Year Ended June 30, 2007

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries	\$383,208	\$62,986	\$46,774	\$492,968
Payroll taxes	26,669	4,855	3,499	35,023
Health, dental and other insurance	28,647	516	382	29,545
Retirement	7,188	1,659	1,284	10,131
	<u>445,712</u>	<u>70,016</u>	<u>51,939</u>	<u>567,667</u>
Administrative allocation to campuses	-	35,000	-	35,000
Bad debt expense	2,256	-	-	2,256
Bank fees and credit card clearing	-	33	-	33
Depreciation and amortization	31,950	-	-	31,950
Due and subscriptions	1,343	948	-	2,291
Employee recruitment	1,930	10	-	1,940
Hospitality and recognition	1,933	1,089	4,128	7,150
Insurance	955	4,020	-	4,975
Maintenance - building and grounds	28,998	300	-	29,298
Marketing and promotion	-	-	2,285	2,285
Miscellaneous	50	192	-	242
Network and Internet	2,887	312	-	3,199
Postage	105	1,304	1,292	2,701
Professional fees	4,971	3,251	3,240	11,462
Program expense	23,965	-	-	23,965
Real estate taxes	12,931	-	-	12,931
Rent	109,482	-	-	109,482
Repairs to furnishings and equipment	338	-	-	338
Special events and fundraisers	-	-	9,396	9,396
Stationery and office supplies	2,701	4,329	761	7,791
Telephone	6,290	-	-	6,290
Travel and conferences	15,466	5,910	227	21,603
Utilities	11,705	-	-	11,705
	<u>260,256</u>	<u>56,698</u>	<u>21,329</u>	<u>338,283</u>
	<u>\$705,968</u>	<u>\$126,714</u>	<u>\$73,268</u>	<u>\$905,950</u>

ST. JOSEPH INSTITUTE FOR THE DEAF

STATEMENT OF RECEIPTS AND DISBURSEMENTS YOUTH OPPORTUNITIES PROGRAM

PROJECT #2007-50267

Year Ended June 30, 2008

REVENUES	<u>\$380,378</u>
EXPENSES	
Salaries	297,929
Professional fees	750
Equipment	25,512
Supplies	6,038
Facility	<u>72,075</u>
	<u>402,304</u>
TOTAL	<u><u>(\$21,926)</u></u>