

REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS

OREGON EPISCOPAL SCHOOL

June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Oregon Episcopal School
Portland, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Oregon Episcopal School, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oregon Episcopal School as of June 30, 2022, and the changes of its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oregon Episcopal School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon Episcopal School's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Oregon Episcopal School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon Episcopal School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter – Report on Summarized Comparative Information

The financial statements of Oregon Episcopal School as of and for the year ended June 30, 2021, were audited by other auditors whose report, dated October 28, 2021, expressed an unmodified opinion on those financial statements. The summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it was derived.



CliftonLarsonAllen LLP

Pasadena, California
November 2, 2022

Oregon Episcopal School
Statements of Financial Position

ASSETS

	June 30,	
	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 23,602,706	\$ 19,334,407
Accounts receivable, net	1,104,036	1,339,382
Pledges receivable, net	3,204,820	1,614,490
Prepaid expenses and other current assets	711,031	789,621
Total current assets	28,622,593	23,077,900
LONG-TERM PLEDGES RECEIVABLE, NET	1,436,129	2,088,585
INVESTMENTS	34,464,847	35,703,127
LAND, BUILDINGS, AND EQUIPMENT, NET	51,725,887	52,679,248
Total assets	<u>\$ 116,249,456</u>	<u>\$ 113,548,860</u>

Oregon Episcopal School
Statements of Financial Position

LIABILITIES AND NET ASSETS

	June 30,	
	2022	2021
CURRENT LIABILITIES		
Accounts payable	\$ 677,222	\$ 945,940
Accrued expenses	112,257	1,053,960
Accrued salaries and related expenses	2,794,104	3,148,113
Unearned tuition and revenues	21,327,332	17,935,242
Current portion of bonds payable, net of issuance costs	739,169	570,252
	25,650,084	23,653,507
BONDS PAYABLE, net of current portion and issuance costs	14,362,401	12,930,643
Total liabilities	40,012,485	36,584,150
NET ASSETS		
Without donor restrictions		
Undesignated	36,458,815	42,188,982
Board-designated	19,727,034	18,606,176
	59,185,849	60,795,158
With donor restrictions		
Purpose and time restricted	8,608,056	9,099,816
Perpetual in nature	8,443,066	7,069,736
	17,051,122	16,169,552
Total net assets	76,236,971	76,964,710
Total liabilities and net assets	\$ 116,249,456	\$ 113,548,860

Oregon Episcopal School
Statement of Activities
For the Year Ended June 30, 2022
(with Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
OPERATING ACTIVITIES				
Revenues and support				
Tuition and fees	\$ 32,447,117	\$ -	\$ 32,447,117	\$ 29,225,159
Less financial aid grants	(3,454,153)	-	(3,454,153)	(3,289,721)
Tuition and fees, net	28,992,964	-	28,992,964	25,935,438
Return on investments and cash equivalents, net	137,875	-	137,875	27,792
Endowment earnings appropriations	840,000	-	840,000	817,000
Contributions and support for operations	1,466,535	1,030,347	2,496,882	1,251,397
Auxiliary services	1,328,927	-	1,328,927	1,037,731
Other operating revenue	363,419	-	363,419	3,625,156
Release of restrictions	454,343	(454,343)	-	-
Total revenue and support	33,584,063	576,004	34,160,067	32,694,514
EXPENSES				
Program services	26,365,234	-	26,365,234	23,269,964
Supporting services				
General administrative	4,935,340	-	4,935,340	4,374,380
Fundraising	1,771,615	-	1,771,615	1,479,215
Total support services	6,706,955	-	6,706,955	5,853,595
Total expenses	33,072,189	-	33,072,189	29,123,559
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES				
	\$ 511,874	\$ 576,004	\$ 1,087,878	\$ 3,570,955

Oregon Episcopal School
Statement of Activities
For the Year Ended June 30, 2022
(with Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
CHANGES IN NET ASSETS FROM OPERATING ACTIVITIES	\$ 511,874	\$ 576,004	\$ 1,087,878	\$ 3,570,955
NON-OPERATING ACTIVITIES				
Investing activities				
Non-operating investment return, net	(1,606,244)	(1,196,439)	(2,802,683)	5,497,121
Less endow ment earnings				
appropriations	(407,955)	(432,045)	(840,000)	(817,000)
Loss on disposals	5,300	-	5,300	(324,894)
Change in net assets from non-operating investing activities	(2,008,899)	(1,628,484)	(3,637,383)	4,355,227
Financing activities				
Endow ment and quasi-endow ment				
contributions	4,231	1,438,291	1,442,522	129,110
Capital campaign contributions	-	373,095	373,095	691,247
Change in the discount on pledges				
receivable	-	122,664	122,664	125,630
Capital campaign expenses	(73,460)	-	(73,460)	(44,404)
Uncollected pledges expense	(43,055)	-	(43,055)	(13,639)
Change in value of interest rate sw ap				
agreement	-	-	-	333,883
Change in net assets from non-operating financing activities	(112,284)	1,934,050	1,821,766	1,221,827
Total change in net assets	(1,609,309)	881,570	(727,739)	9,148,009
NET ASSETS, beginning of year	60,795,158	16,169,552	76,964,710	67,816,701
NET ASSETS, end of year	<u>\$ 59,185,849</u>	<u>\$ 17,051,122</u>	<u>\$ 76,236,971</u>	<u>\$ 76,964,710</u>

Oregon Episcopal School
Statement of Functional Expenses – For the Year Ended June 30, 2022
(with Comparative Totals for 2021)

	Program Services			General Administrative	Fundraising	2022 Total	2021 Total
	Educational Services	Auxiliary Services	Total Program				
Salaries	\$ 13,058,101	\$ 998,876	14,056,977	\$ 2,080,821	\$ 944,346	\$ 17,082,144	\$ 16,371,794
Payroll taxes and benefits	4,525,520	346,179	4,871,699	721,146	327,280	5,920,125	5,669,418
Total salaries and related expense:	17,583,621	1,345,055	18,928,676	2,801,967	1,271,626	23,002,269	22,041,212
Programs, supplies, and materials	1,980,685	1,465,870	3,446,555	11,303	6,772	3,464,630	1,777,090
Property services	1,161,468	306,560	1,468,028	40,441	15,012	1,523,481	1,082,187
Professional growth and development	146,588	4,716	151,304	55,720	20,233	227,257	148,980
Professional services	24,750	848	25,598	574,454	57,805	657,857	392,741
Other expenses	243,537	84,075	327,612	1,409,858	379,368	2,116,838	1,788,628
Total expenses before depreciation and amortization	21,140,649	3,207,124	24,347,773	4,893,743	1,750,816	30,992,332	27,230,838
Depreciation and amortization	1,601,490	415,971	2,017,461	41,597	20,799	2,079,857	1,892,721
Total expenses	\$ 22,742,139	\$ 3,623,095	\$ 26,365,234	\$ 4,935,340	\$ 1,771,615	\$ 33,072,189	\$ 29,123,559

Oregon Episcopal School Statements of Cash Flows

	Years Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (727,739)	\$ 9,148,009
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Less noncash items		
Depreciation and amortization	2,079,857	1,892,721
Write off of pledges receivable	26,886	48,360
Noncash change in allowance for uncollectible pledges	16,168	(34,721)
Noncash change in discount on pledges	(122,664)	(125,630)
Net (gain) loss on investments	2,900,512	(5,478,258)
Net loss on disposals	(5,300)	324,894
Noncash change in value of interest rate swap agreement	-	(333,883)
Amortization of bond issuance costs	9,947	4,145
Endowment return, other than gain/loss considered non-operating	(53,820)	(22,780)
Contributions restricted for endowment	(1,442,522)	(129,110)
Pledges received, net	(2,896,936)	(669,054)
Appropriations from endowment for operations	840,000	817,000
Cash provided by changes in operating assets and liabilities:		
Accounts receivable	235,346	(1,327,960)
Prepaid expenses and other assets	78,590	(9,136)
Accounts payable	(268,718)	509,759
Accrued expenses	(941,703)	844,657
Accrued salaries and related expenses	(354,009)	553,001
Unearned tuition and revenues	3,392,090	(605,768)
	2,765,985	5,406,246
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of land, buildings, and equipment	(1,121,196)	(13,838,012)
Purchases of investments	(19,083,072)	(15,638,201)
Net proceeds from the sale of investments	17,474,660	16,325,679
Appropriations from endowment for operations	(840,000)	(817,000)
	(3,569,608)	(13,967,534)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on notes payable	-	(1,000,000)
Payment on bonds payable	(625,272)	(11,187,897)
Payment on interest rate swap liability	-	(1,728,000)
Proceeds from bonds payable	2,216,000	13,752,542
Cash collected on pledges, net of expenses	2,038,672	2,354,725
Cash collected on contributions to endowment fund	1,442,522	129,110
	5,071,922	2,320,480

See accompanying notes.

Oregon Episcopal School

Statements of Cash Flows

	Years Ended June 30,	
	<u>2022</u>	<u>2021</u>
CHANGE IN CASH AND CASH EQUIVALENTS	4,268,299	(6,240,808)
CASH AND CASH EQUIVALENTS, beginning of year	<u>19,334,407</u>	<u>25,575,215</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 23,602,706</u>	<u>\$ 19,334,407</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 349,482</u>	<u>\$ 385,157</u>

Note 1 – Organization

General

Oregon Episcopal School (OES or the School) is an independent day and boarding school originally founded in 1869 as St. Helen's Hall by Bishop Benjamin Wistar Morris. The School occupies a 59-acre campus, enrolling approximately 875 students in Pre-K through 12th grade. Offering a true liberal arts curriculum, the School has small classes that provide intimate learning environments that allow teachers to instill in each student a love for learning and the joy of discovery. The School has an innovative curriculum, competitive athletics, and a commitment to service. As the oldest Episcopal school west of the Rockies, OES values developing the spirit as well as the mind. Though steeped in Episcopal heritage and tradition, the School welcomes students of all beliefs.

The School is a member of and accredited by the Northwest Association of Independent Schools and is registered with the State of Oregon. The School is also a member of the National Association of Independent Schools and the National Association of Episcopal Schools.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the School and changes therein are classified and reported as follows:

Without donor restrictions – Net assets not subject to donor-imposed stipulations. Items that affect this net asset category principally consist of fees for service and related expenses associated with the core activities of the School. In addition to these exchange transactions, changes in this category of net assets include certain types of philanthropic support including gifts without restrictions and those gifts designated by the Board of Trustees (the Board) to function as endowment and restricted gifts whose donor-imposed restrictions were met during the fiscal year, as well as previously restricted gifts and grants for buildings and equipment that have been placed in service.

With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met by actions of the School and/or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts and grants for buildings and equipment not yet placed in service; endowment, annuity, and life income gifts; pledges; investment returns on "true" endowment funds; and endowments where the principal may be expended upon the passage of a stated period of time (term endowments). Expirations of restrictions on net assets with donor restrictions, including reclassification of restricted gifts and grants for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions.

Oregon Episcopal School

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Also included in this category are net assets subject to donor-imposed restrictions to be maintained in perpetuity by the School, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity (primarily gifts for endowment and providing loans to students) and that only the income be made available for program operations. Generally, the donors of these assets permit the School to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of time or purpose restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions that the donor requires to be used to acquire long-lived assets (e.g., building improvements, furniture, fixtures, and equipment) are reported in net assets with donor restrictions. When the long-lived assets are placed in service, the School reflects the expiration of the donor-imposed restriction as a reclassification included in the net assets released from restrictions.

The School considers contributions for capital investments in plant and contributions for endowment to be non-operating contributions.

Operating Measurement

The School divides its statement of activities into operating and nonoperating activities. The operating activities include all income and expenses related to carrying out current operations of the School. Nonoperating activities include restricted gifts for long-term purposes.

Revenue recognition

Tuition and fees are recognized as revenue during the term of instruction as performance obligations associated with the delivery of educational services are met. Prepaid tuition and enrollment deposits are deferred to the appropriate school year. Revenue from auxiliary services are recorded in the period earned. Contributions in cash are recorded as revenues in the period received, in accordance with donor-imposed restrictions. Unconditional promises to give are recorded at fair value as receivables and as revenues in the period the promise is received, in accordance with donor-imposed restrictions.

Conditional promises to give are not recognized until they become unconditional, that is when the barrier of entitlement has been overcome and a right of return no longer exists. An allowance for doubtful contributions receivable is provided based on management's judgment including such factors as prior collection history, type of contribution, and current aging of contributions receivable.

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with an original maturity of three months or less other than those held in the School's investment portfolio and subject to its investment policy.

Note 2 – Summary of Significant Accounting Policies (continued)

Accounts and pledges receivable and allowance for doubtful accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The allowance for doubtful accounts is maintained at a level considered adequate to provide for potential uncollectible pledges and past due tuition payments. The adequacy of the allowance is based upon management's evaluation of the quality, character, and inherent risks in the various receivable categories. It is the School's policy to charge off uncollectible accounts receivable management determines will not

be collected. As of June 30, 2022, accounts receivable includes net tuition receivable of \$40,723 and receivable from various COVID relief funding of \$1,063,313. As of June 30, 2021, accounts receivable includes net tuition receivable of \$8,622 and receivable from various COVID relief funding of \$1,330,760. The accounts receivable allowance totaled \$6,000 and \$2,402 at June 30, 2022 and 2021, respectively. See Note 4 for pledges receivable allowance disclosures.

Other long-term commitments

The School has employment contracts with numerous employees, but only one long-term contract that extends to June 30, 2023. Terms of the agreement include compensation, benefits, and an annual bonus.

Bond issuance costs

Bond issuance costs include authority fees, bank fees and legal fees, and other expenses associated with the January 1, 2021 bond offering (Note 8). Debt issuance costs related to a recognized debt liability are presented in the statements of financial position as a direct reduction from the carrying amount of that debt liability. Amortization is calculated using the straight-line method, which approximates the effective interest method, over the term of the bond.

Investments

Investments with readily determinable market values are stated at fair value based on quoted market prices. Alternative investments, which are not readily marketable, are carried at estimated fair value as provided by investment managers. The School reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed. Investments acquired by gift are recorded at fair value on the date received by the School. Investments are adjusted to fair value through recognition of unrealized gains or losses. Investment returns on endowment assets are recognized as investment income within net assets with donor restrictions until appropriated for spending by the Board of Trustees.

Oregon Episcopal School

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Land, buildings, and equipment

Purchased land, buildings, and equipment are recorded at cost, and those received by donations are capitalized at their estimated fair values on the date received. All assets with a useful life of greater than one year and a cost greater than \$5,000 are capitalized. Depreciation is calculated using the straight-line method based on the estimated useful lives of the assets as follows:

Buildings, facilities, and improvements	8 – 50 years
Furniture, equipment, and other fixed assets	3 – 10 years
Vehicles	3 – 8 years

The School uses the direct expensing method to account for planned major maintenance activities.

Federal income taxes

The School is a nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except to the extent of unrelated business income. Unrelated business income tax is insignificant and no tax provision has been made in the accompanying financial statements.

The School recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The School had no unrecognized tax benefits at June 30, 2022 and 2021. The School recognizes interest accrued and penalties related to unrecognized tax benefits, if any, as an administrative expense. During the years ended June 30, 2022 and 2021, the School recognized no interest and penalties.

The School is exempt from filing the IRS Form 990 due to its religious affiliation. Unrelated business income tax returns are filed annually in the U.S. federal and Oregon state jurisdictions.

Unearned tuition and revenues

Unearned tuition and revenues represent school tuition deposits and payments received in fiscal years 2022 and 2021, but related to fiscal years 2023 and 2022, respectively.

Contributions and grants

The School recognizes contributions and grants when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurement performance obligation or other barrier and a right of return – are not recognized until the conditions on which they depend have been met in accordance with ASU 2018-08.

All contributions and grants are considered to be available for OES's unrestricted use unless specifically restricted by the donor. Contributions and grants restricted by the donor are recorded as net assets with donor restrictions. When the restrictions are satisfied, the restricted amounts are released to net assets without donor restrictions.

Note 2 – Summary of Significant Accounting Policies (continued)

Contributed services

A substantial number of corporations and volunteers have donated significant amounts of time and services to the School's operations and to its fundraising campaigns. However, unless such contributions meet the criteria promulgated by accounting principles generally accepted in the United States of America (U.S. GAAP) which include professional services and services required to construct a fixed asset, they are not reflected in the accompanying financial statements.

Concentration of credit risk

Financial instruments which potentially subject the School to concentrations of credit risk consist of cash, long-term investments, student accounts receivable and pledges receivable. The School has established guidelines relative to diversification and maturities in its investment portfolio that seek to maintain safety

and liquidity. At times, amounts in the individual investment portfolio accounts and the operating bank accounts are in excess of the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protector Corporation (SIPC) insurance limits.

Credit risk concentration with respect to tuition and pledges receivable is limited due to the number of students and donors involved. The School monitors its exposure for credit losses and maintains allowances for anticipated losses.

The School receives contributions from a wide donor base. During the year ended June 30, 2022, two donors accounted for 53% of total contributions. As of June 30, 2022, two donors accounted for approximately 50% of total contribution receivable balance.

Related-party transactions

Contributions from members of the Board of Trustees totaled approximately \$1,203,591 and \$205,000 for the years ended June 30, 2022 and 2021, respectively.

Functional allocation of expenses

The costs of the School's various activities and programs have been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs, supporting services, and auxiliary activities benefited based on various methods, including categories based on time expended, and estimated or actual usage. Auxiliary activities include the School's extended care programs, summer camp, dining, school store, and transportation.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Oregon Episcopal School Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Prior year summarized information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the financial statements for the School for the year ended June 30, 2021 from which the summarized information was derived.

Subsequent events

Subsequent events are events or transactions that occur after the date of the statement of financial position but before financial statements are available to be issued. The School recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The School's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial

position but arose after the date of the statement of financial position and before financial statements are available to be issued.

Subsequent to the date of the financial statements, First Republic Bank corrected the amortization

schedule for the bonds to reflect that initial amortization began one month later than specified in the bond documents. The adjustment total of \$15,600 was made in FY2023.

The School's management has evaluated subsequent events through November 2, 2022, the date on which the financial statements were available to be issued.

**Oregon Episcopal School
Notes to Financial Statements**

Note 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following for the year ended June 30:

	2022	2021
Cash and cash equivalents	\$ 23,602,837	\$ 11,962,310
Accounts receivable, net	1,104,036	1,339,382
Operating investments	6,236,482	6,817,563
Pledges receivable	11,997	10,760
Distributions from assets held under beneficial interest in perpetual trust	16,250	16,250
Total financial assets available within one year	\$ 30,971,602	\$ 20,146,265

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

As of June 30, 2022 and 2021 the board-designated endowment of \$13,490,552 and \$12,963,455, respectively, is subject to an annual spending rate of 3.0% to 4.0% annually as described in Note 14. Although OES does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

Oregon Episcopal School Notes to Financial Statements

Note 4 – Pledges Receivable

Unconditional promises to give are recorded as receivables and revenue when the promise is made. The School distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. As of June 30, the pledges receivable balances consisted of the following:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 3,269,663	\$ 1,614,490
Receivable in one to five years	<u>1,565,916</u>	<u>2,389,711</u>
Total pledges receivable	4,835,579	4,004,201
Less allowance for uncollectible pledges	(96,162)	(79,994)
Less discounts to present value	<u>(98,468)</u>	<u>(221,132)</u>
Pledges receivable, net	<u>\$ 4,640,949</u>	<u>\$ 3,703,075</u>

Note 5 – Investments

Investments are composed of the following at June 30:

	<u>2022</u>	<u>2021</u>
Cash and money market	\$ 438,568	\$ 867,936
Pooled equity funds	2,920,584	4,515,229
Pooled fixed income funds	1,395,078	2,165,538
Alternative investments	29,268,592	27,648,281
Perpetual trusts held by banks (Note 9)	384,959	449,919
Life insurance policy	<u>57,066</u>	<u>56,224</u>
Total investments	<u>\$ 34,464,847</u>	<u>\$ 35,703,127</u>

The School considers operating investment return to consist of the amount authorized for spending in the current year from endowment assets and returns on operating bank and investment accounts. All other investment return is considered non-operating. The line items reporting the non-operating investment return are as follows for the years ended June 30:

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Notes to Financial Statements

Note 5 – Investments (continued)

	2022	2021
Dividends and interest	\$ 259,431	\$ 166,595
Realized and unrealized gains (losses)	(2,900,512)	5,478,258
Investment fees	(161,602)	(147,732)
Total return on investments and cash equivalents	<u>\$ (2,802,683)</u>	<u>\$ 5,497,121</u>

Note 6 – Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, accounting standards use a fair value hierarchy that prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Valuation techniques

Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Interest-bearing cash – Includes money market funds valued at cost plus accrued interest, which approximates fair value.

Marketable securities – Includes equity and bond mutual funds valued at quoted market prices in active markets.

Nonmarketable investments – Includes hedge funds, private equity funds, and other non-publicly traded investments, valued using the Net Asset Value (NAV) provided by the investment's manager. The NAV is based on the fair value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of units outstanding at the valuation date. The investments are traded on a private market that is not active.

Beneficial interest in perpetual trusts – Valuation is derived from information provided by trustees, which include fair value of the trust assets, underlying investments, and the School's proportional share.

Oregon Episcopal School Notes to Financial Statements

Note 6 – Fair Value Measurements (continued)

The School's policy is to recognize transfers in and out of the fair value level hierarchy as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, 2, and 3 for the years ended June 30, 2022 and 2021.

Fair values measured on a recurring basis

Fair values of assets and liabilities measured on a recurring basis at June 30 were as follows:

	Fair Value Measurements as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Marketable securities				
Cash and money market	\$ 438,568	\$ -	\$ -	\$ 438,568
Mutual Fund - Equity Fund	3,287,876	-	-	3,287,876
Mutual Fund - Fixed Income Fund	1,778,964	-	-	1,778,964
Total marketable securities	5,505,408	-	-	5,505,408
Nonmarketable investments				
Other	-	-	57,066	57,066
Total nonmarketable investments	-	-	57,066	57,066
Beneficial interest in perpetual trusts	-	-	384,959	384,959
Investments measured at NAV practical expedient				28,517,414
Total financial assets	\$ 5,505,408	\$ -	\$ 442,025	34,464,847

Oregon Episcopal School
Notes to Financial Statements

Note 6 – Fair Value Measurements (continued)

	Fair Value Measurements as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Marketable securities				
Cash and money market	\$ 867,935	\$ -	\$ -	\$ 867,935
Emerging market stock fund	957,836	-	-	957,836
Fixed income fund	2,165,538	-	-	2,165,538
International stock fund	2,906,882	-	-	2,906,882
Income opportunity fund	650,511	-	-	650,511
Total marketable securities	7,548,702	-	-	7,548,702
Nonmarketable investments				
Other	-	-	56,225	56,225
Total nonmarketable investments	-	-	56,225	56,225
Beneficial interest in perpetual trusts	-	-	449,919	449,919
Investments measured at NAV practical expedient				27,648,281
Total financial assets	\$ 7,548,702	\$ -	\$ 506,144	35,703,127

Oregon Episcopal School Notes to Financial Statements

Note 6 – Fair Value Measurements (continued)

The table below summarizes significant terms of the agreements with certain investment companies for the nonmarketable investments. There are no significant redemption restrictions or unfunded commitments on other types of investments.

Asset Class	Fair Value at 06/30/22	Fair Value at 06/30/21	Remaining Life	At June 30, 2022		
				Unfunded Commitments	Redemption Terms	Redemption Restrictions
Hedge funds (a)	\$ -	\$ 142,604	Open ended	\$ -	Quarterly w /60 days notice; full liquidation takes five quarters of periodic withdrawals.	One year lock-up (ownership is older than one year).
Private equity funds (b)	\$ 11,039,935	\$ 1,324,949	Lives ending from 2020 to 2027 w ith possible extensions.	\$ 1,093,709	No redemptions.	From not applicable to not allow ed.
Other (c)	\$ 17,477,479	\$ 28,590,499	Lives ending from 2024 to 2028 w ith possible extensions	\$ 130,460	No redemptions.	From not applicable to not allow ed.
Total	<u>\$ 28,517,414</u>	<u>\$ 30,058,052</u>		<u>\$ 1,224,169</u>		

(a) Hedge fund strategy relates to commercial and residential mortgages, mortgage related securities, and interest rates.

(b) Private equity funds strategies are investing in buyouts and middle market investments.

(c) Various other funds investing in a range of equity, preferred equity, office, industrial, retail, multi-family, mezzanine, and other.

Note 7 – Land, Buildings, and Equipment

A summary of land, buildings, and equipment is as follows as of June 30:

	2022	2021
Land	\$ 1,543,709	\$ 1,543,709
Buildings and facilities	71,837,690	70,606,172
Vehicles	1,043,709	981,811
Furniture and equipment	3,323,458	3,151,619
Other fixed assets	153,993	153,993
Construction in progress	83,767	458,021
	77,986,326	76,895,325
Less accumulated depreciation	(26,260,439)	(24,216,077)
Land, buildings, and equipment, net	\$ 51,725,887	\$ 52,679,248

Note 8 – Bonds Payable

Bonds payable

On January 27, 2021, the School refinanced all outstanding loans, bonds and swaps into two series of Oregon Facilities Authority bonds dated January 1, 2021. The Bonds were purchased by First Republic Lending Corporation, with a \$5,000,000 revolving credit facility provided until January 27, 2022 by First Republic Bank. The revolving credit facility expired without being drawn.

The 2021 Series A Bonds were issued in the amount of \$10,250,000 with a fifteen year maturity and a fixed interest rate of 2.35%. The 2021 Series A Bonds are payable monthly on a level debt service that amortizes the full principal by January 1, 2036. The Series B Bonds are drawdown bonds authorized up to \$7,850,000 with a maturity of January 1, 2051 and a fixed interest rate of 2.6%. At initial issuance, \$3,691,541 was drawn down from Series B, leaving \$4,158,459 available for drawdown by the School prior to January 27, 2022. On January 24, 2022, \$2,216,000 was drawn down to finance construction of the Athletic Center.

Payments on the Series B Bonds are interest only until January 27, 2022 after which monthly payments of principal and interest will be scheduled by the bank to fully amortize the Bonds by maturity.

The 2021 Series A Bonds refinanced bonds issued in 2015 to refinance bonds issued in 2004 for construction projects. The 2021 Series B Bonds refinanced bonds issued in 2015 for construction of the Lower School Building and Athletic Center, and a loan for the purchase of a house at 7295 SW Ridgemont.

The Bonds have the benefit of a security interest in the School's gross receipts, accounts, and pledges receivable. The bond documents contain restrictive covenants that, among other things, require the achievement of certain financial ratios

Oregon Episcopal School Notes to Financial Statements

Note 8 – Bonds Payable (continued)

Minimum bond principal payments are as follows:

For the year ended June 30, 2023	\$ 749,116
2024	750,260
2025	769,662
2026	788,582
2027	807,968
Thereafter	<u>11,410,889</u>
Total minimal principal payments	15,276,477
Less unamortized issuance costs	<u>(174,907)</u>
Total bonds payable, net	<u>\$ 15,101,570</u>

Note 9 – Split Interest Agreements

Beneficial interest in perpetual trusts

The School is one of the beneficiaries of two perpetual trusts, administered by third-party trustees. The School's share of the fair value of the trusts totaled \$384,959 and \$449,919 at June 30, 2022 and 2021, respectively. The School received distributions totaling \$16,250 and \$16,250 for 2022 and 2021, respectively. For the years ended June 30, 2022 and 2021, changes to the value of the trust were losses (gains) of \$64,960 and \$(69,863), respectively, net of distributions and are included in non-operating investment return in the statements of activities and changes in net assets.

Note 10 – Benefit Plans

403(b) defined contribution retirement plan

The School maintains a 403(b) defined contribution retirement plan (the Plan) on behalf of employees who have reached the age of 21 and will complete 1,000 hours of service during the defined 12-month period. The School's contributions to the Plan are based on a match of the employee's contribution, up to a maximum of 7.5% of the employee's compensation. Contributions for the years ended June 30, 2022 and 2021 were \$1,034,000 and \$1,028,985, respectively.

457(b) deferred compensation plan

The School sponsors a 457(b) deferred compensation plan for senior administrators. Investments are owned by the School and managed individually by the participant. Contributions fully vest upon severance from employment or upon April 1 of the calendar year following the calendar year in which the participant is age 70 ½. Until such time, plan assets are subject to the claim of the School's creditors. At June 30, 2022, the School recorded an asset in the amount of \$379,651 and an associated liability in the amount of \$379,651. At June 30, 2021, the School recorded an asset in the amount of \$389,629 and an associated liability in the amount of \$389,629. The asset and liability are recorded in prepaid expenses and other current assets and accrued expenses, respectively, on the statements of financial position.

457(f) deferred compensation plan

The School sponsors a 457(f) deferred compensation plan for one employee. Contributions are subject to substantial risk of forfeiture by the employee through June 30, 2023. Until such time, plan assets are subject to the claim of the School's creditors. The employer's contributions are intended to provide additional matching contributions that cannot be made to the participant under the employer's qualified plan because of the application of Code Section 401(a)(17). The liability due to the plan was \$361,663 and \$236,193 as of June 30, 2022 and 2021, respectively.

Note 11 – Net Assets Without Donor Restrictions – Board-Designated

The Board of Trustees designated net assets without donor restrictions for the following specific purposes as of June 30:

	2022	2021
Designated for operating & property reserves	\$ 6,236,482	\$ 5,642,721
Designated for quasi-endowment (Note 14)	13,490,552	12,963,455
Total net assets without donor restrictions – board-designated	\$ 19,727,034	\$ 18,606,176

Oregon Episcopal School

Notes to Financial Statements

Note 12 – Net Assets with Donor Restrictions

Purpose and time restrictions

Net assets with donor restrictions contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the School. These net assets are available for the following specific purposes, or time restrictions have been placed on the use of the funds as noted in the following schedule at June 30:

	<u>2022</u>	<u>2021</u>
Purpose restriction		
Support of program activities	\$ 32,442	\$ 28,393
Capital improvements	1,002,000	-
Capital campaign	287,414	221,700
Unappropriated accumulated earnings on endowments	<u>7,229,135</u>	<u>8,793,498</u>
	<u>8,550,991</u>	<u>9,043,591</u>
Time restriction		
Life insurance policy	<u>57,065</u>	<u>56,225</u>
Net assets with donor restrictions – purpose and time restricted	<u>\$ 8,608,056</u>	<u>\$ 9,099,816</u>

Perpetual in nature

Net assets are subject to donor-imposed restrictions that the principal be invested in perpetuity, and consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Faculty salaries	\$ 496,597	\$ 496,597
Scholarships and financial aid	5,700,119	4,261,854
Professional growth and development	285,835	285,835
General endowment	1,331,032	1,331,032
Facilities	25,000	25,000
Programs	219,524	219,499
Beneficial interest in perpetual trusts (Note 9)	<u>384,959</u>	<u>449,919</u>
Net assets with donor restrictions – perpetual in nature	<u>\$ 8,443,066</u>	<u>\$ 7,069,736</u>

Note 13 – Net Assets Released from Restrictions

Net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified were as follows at June 30:

	2022	2021
Support of program activities	\$ 26,298	\$ 116,442
Capital improvement projects	428,045	11,226,464
Application of spending policy to endowments	432,045	443,766
	\$ 886,388	\$ 11,786,672

Note 14 – Endowments

The School’s endowments consist of 77 funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments (quasi-endowments). As required by U.S. GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Trustees of the School has reviewed the Oregon State Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, having considered its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this determination, the School classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the School in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the School considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the School and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the School
- The investment policies of the School

Oregon Episcopal School Notes to Financial Statements

Note 14 – Endowments (continued)

As of June 30, 2022, endowment net assets consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Held in Investment	\$ -	\$ 14,287,242	\$ 14,287,242
Pledge Receivable	-	1,000,000	1,000,000
	<u>-</u>	<u>15,287,242</u>	<u>15,287,242</u>
Board-designated quasi-endowment funds	<u>13,490,552</u>	<u>-</u>	<u>13,490,552</u>
Endowment net assets	<u>\$ 13,490,552</u>	<u>\$ 15,287,242</u>	<u>\$ 28,777,794</u>

Reconciliation of endowment net assets to
total assets perpetual in nature:

Endowment net assets	\$ 15,287,242
Perpetual trusts (Note 9)	384,959
Less: Unappropriated accumulated earnings on endowments (Note 12)	<u>(7,229,135)</u>
Total perpetual in nature net assets	<u>\$ 8,443,066</u>

As of June 30, 2021, endowment net assets consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 15,413,315	\$ 15,413,315
Board-designated quasi-endowment funds	<u>12,963,455</u>	<u>-</u>	<u>12,963,455</u>
Endowment net assets	<u>\$ 12,963,455</u>	<u>\$ 15,413,315</u>	<u>\$ 28,376,770</u>

Reconciliation of endowment net assets to
total assets perpetual in nature:

Endowment net assets	\$ 15,413,315
Perpetual trusts (Note 9)	449,919
Less: Unappropriated accumulated earnings on endowments (Note 12)	<u>(8,793,498)</u>
Total perpetual in nature net assets	<u>\$ 7,069,736</u>

Oregon Episcopal School
Notes to Financial Statements

Note 14 – Endowments (continued)

Changes to endowment net assets for the year ended June 30, 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets June 30, 2021	\$ 12,963,455	\$ 15,413,315	\$ 28,376,770
Endowment investment return			
Interest and dividends	3,337	3,534	6,871
Realized and unrealized gains	(1,072,516)	(1,135,853)	(2,208,369)
Total endowment investment return	(1,069,179)	(1,132,319)	(2,201,498)
Contributions received	4,231	1,438,291	1,442,522
Transfers and other redesignations	2,000,000	-	2,000,000
Appropriation of endowment for expenditures	(407,955)	(432,045)	(840,000)
Endowment net assets June 30, 2022	\$ 13,490,552	\$ 15,287,242	\$ 28,777,794

Changes to endowment net assets for the year ended June 30, 2021, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets June 30, 2020	\$ 11,291,775	\$ 13,296,587	\$ 24,588,362
Endowment investment return			
Interest and dividends	(2,717)	(3,231)	(5,948)
Realized and unrealized gains	2,047,631	2,434,615	4,482,246
Total endowment investment return	2,044,914	2,431,384	4,476,298
Contributions received	-	129,110	129,110
Appropriation of endowment for expenditures	(373,234)	(443,766)	(817,000)
Endowment net assets June 30, 2021	\$ 12,963,455	\$ 15,413,315	\$ 28,376,770

Oregon Episcopal School Notes to Financial Statements

Note 14 – Endowments (continued)

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the School to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new contributions restricted in perpetuity and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level are classified as an increase in net assets with donor restrictions. There were three deficiencies of this nature as of June 30, 2022 in the amount of \$213,856. There were no such deficiencies of this nature as of June 30, 2021.

Return objectives and risk parameters

The School has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments 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 donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the total return of a weighted average benchmark based on the endowment's asset allocation while assuming a moderate level of investment risk. Actual returns in any given year may vary.

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, such as interest and dividends. The School targets a diversified asset allocation that places a greater emphasis on equity based and absolute return investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy

The School has a history of appropriating for distribution each year between 3.0% and 5.5% of its endowment fund's average fair value over the prior 12 quarters preceding the end of the fiscal year in which the distribution is planned. Multiple criteria are used to determine spending within UPMIFA rules, including the preservation of the endowment fund, economic conditions, and other resources of the institution. In establishing this policy, the School considered the long-term expected return on its endowment. Accordingly, over the long term, the School expects the current spending policy to allow its endowment to grow at an average of 3.0% to 4.0% annually after its planned payouts. This is consistent with the School's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 15 – Risks and Uncertainties

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic. The related adverse public health developments, including orders to shelter-in-place, travel restrictions and mandated business closures, have adversely affected workforces, organizations, their customers, economies, and financial markets globally, leading to increased market volatility and disruptions in normal business operations, including the School's operations.

The School transitioned its students to online learning and almost all of its employees to remote work in mid-March of 2020. On campus operations resumed at a minimal level for summer programs in July 2020. From September 2020 until March 2021, the school remained primarily in online learning, with students allowed for occasional cohort meetings on campus. In March 2021, all students returned in hybrid schedules, partially on, partially off, campus. In recognition of substantial expense savings in remote learning, the Board of Trustees granted a discretionary credit to 20-21 families totaling \$1,971,581.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Securities ("CARES") Act was signed into law and later updated by the American Rescue Plan Act of 2021. The School received approximately \$3,000,000 of refundable tax credits as a result of available government relief programs under the CARES Act. In addition, in 2020-21 approximately \$423,000 of expenses of the school qualified for reimbursement under the Emergency Assistance to Non-Public Schools (EANS) program of the Coronavirus Response and Relief Supplemental Appropriations Act of 2021.

Summer programs were reduced in 2021, impacting revenue for fiscal year 2021-22. In addition, other programs were impacted during the academic year 2021-22. The school incurred significant expenses for COVID-19 testing and to provide additional outdoor facilities for programs. Some of those expenses were reimbursed through the EANS program, but not all. Estimated expenses related to COVID-19 totaled over \$500,000. EANS funding for 2021-22 was just over \$300,000. In addition, Lower School families were given tuition credits totaling \$146,700 due to the fact that the school was not able to provide lunch to those students for the fall and winter.

As of issuance, the school has resumed full operations. However, economic impacts of the pandemic continue to be a concern for the school's administration. Labor shortages, supply chain disruption and inflation have created uncertainty about financial impacts. As of the date of issuance, financial impacts have not been negative. However, the duration and intensity of the pandemic and subsequent economic disruption is uncertain and it may influence future student enrollment, donor decisions, and investment performance.



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