



**St. Pius X Catholic High School**  
(A Division of Catholic Education of North Georgia, Inc.)

**FINANCIAL STATEMENTS**

June 30, 2021 and 2020



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# REPORT





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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Catholic Education of North Georgia, Inc.  
and St Pius X Catholic High School Management  
Atlanta, Georgia

### **Opinion**

We have audited the accompanying financial statements of St Pius X Catholic High School (a division of Catholic Education of North Georgia, Inc., a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 St Pius X Catholic High School (the School) as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years 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. 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 the 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 the School's ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 St Pius X Catholic High 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 St Pius X Catholic High 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia  
January 12, 2022



# FINANCIAL STATEMENTS



**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Statements of Financial Position**

<i>June 30,</i>	<b>2021</b>	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 3,222,981	\$ 1,820,317
Funds on deposit with CENGI	21,098,823	22,298,259
Accounts receivable, net	4,111	25,987
Promises to give, net	3,448,418	2,559,284
Inventory	164,500	164,039
Beneficial interest in assets held by foundation	9,108,414	4,100,473
Property and equipment, net	18,484,036	19,240,604
Other assets	722,232	329,626
<b>Total assets</b>	<b>\$ 56,253,515</b>	<b>\$ 50,538,589</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,290,999	\$ 1,166,814
Accounts payable - related parties	25,500	28,522
Contract liabilities	2,947,827	2,836,007
Agency funds	396,553	305,617
Capital lease obligation	27,897	52,343
Paycheck Protection Program Loan	-	2,155,600
<b>Total liabilities</b>	<b>4,688,776</b>	<b>6,544,903</b>
<b>Net assets</b>		
Without donor restrictions		
Undesignated	29,976,122	27,143,838
Board designated	5,903,814	5,469,647
<b>Total net assets without donor restrictions</b>	<b>35,879,936</b>	<b>32,613,485</b>
With donor restrictions		
Purpose restrictions	6,277,369	4,021,112
Perpetual in nature	9,407,434	7,359,089
<b>Total net assets with donor restrictions</b>	<b>15,684,803</b>	<b>11,380,201</b>
<b>Total net assets</b>	<b>51,564,739</b>	<b>43,993,686</b>
<b>Total liabilities and net assets</b>	<b>\$ 56,253,515</b>	<b>\$ 50,538,589</b>

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

**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Statement of Activities**

***For the year ended June 30, 2021***

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Revenue from student tuition, fees and auxiliary services	\$ 16,322,587	\$ -	\$ <b>16,322,587</b>
Contributions, subsidies and support	1,915,181	3,469,834	<b>5,385,015</b>
Other income	354,082	32,143	<b>386,225</b>
Net assets released from restrictions	532,220	(532,220)	-
<b>Total revenue and support</b>	<b>19,124,070</b>	<b>2,969,757</b>	<b>22,093,827</b>
<b>Expenses</b>			
<i>Program services</i>			
Instructional	8,499,013	-	<b>8,499,013</b>
Student services	6,447,820	-	<b>6,447,820</b>
Operations	1,008,658	-	<b>1,008,658</b>
<b>Total program services</b>	<b>15,955,491</b>	<b>-</b>	<b>15,955,491</b>
<i>Supporting services</i>			
General and administrative	1,278,294	-	<b>1,278,294</b>
Development and fundraising	669,034	-	<b>669,034</b>
<b>Total supporting services</b>	<b>1,947,328</b>	<b>-</b>	<b>1,947,328</b>
<b>Total expenses</b>	<b>17,902,819</b>	<b>-</b>	<b>17,902,819</b>
Change in net assets before change in beneficial interest and forgiveness of debt	1,221,251	2,969,757	<b>4,191,008</b>
Change in value of beneficial interest	-	1,224,445	<b>1,224,445</b>
Forgiveness of Paycheck Protection Program loan	2,155,600	-	<b>2,155,600</b>
Change in net assets	3,376,851	4,194,202	<b>7,571,053</b>
Net assets transferred to endowment	(110,400)	110,400	-
Net assets at beginning of year	32,613,485	11,380,201	<b>43,993,686</b>
<b>Net assets at end of year</b>	<b>\$ 35,879,936</b>	<b>\$ 15,684,803</b>	<b>\$ 51,564,739</b>

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



**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Statement of Activities (Continued)**

*For the year ended June 30, 2020*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Revenue from student tuition, fees and other income	\$ 16,330,371	\$ -	\$ 16,330,371
Contributions, subsidies and support	2,212,998	4,535,997	6,748,995
Other income	527,818	51,940	579,758
Net assets released from restrictions	359,177	(359,177)	-
<b>Total revenue and support</b>	<b>19,430,364</b>	<b>4,228,760</b>	<b>23,659,124</b>
<b>Expenses</b>			
<i>Program services</i>			
Instructional	8,183,036	-	8,183,036
Student services	6,481,107	-	6,481,107
Operations	925,036	-	925,036
<b>Total program services</b>	<b>15,589,178</b>	<b>-</b>	<b>15,589,178</b>
<i>Supporting services</i>			
General and administrative	1,333,210	-	1,333,210
Development and fundraising	922,698	-	922,698
<b>Total supporting services</b>	<b>2,255,908</b>	<b>-</b>	<b>2,255,908</b>
<b>Total expenses</b>	<b>17,845,086</b>	<b>-</b>	<b>17,845,086</b>
Change in net assets before change in beneficial interest	1,585,278	4,228,760	5,814,038
Change in value of beneficial interest	-	(14,223)	(14,223)
Change in net assets	1,585,278	4,214,537	5,799,815
Net assets transferred to endowment	(111,025)	111,025	-
Net assets at beginning of year	31,139,232	7,054,639	38,193,871
<b>Net assets at end of year</b>	<b>\$ 32,613,485</b>	<b>\$ 11,380,201</b>	<b>\$ 43,993,686</b>

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

**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Statement of Functional Expenses**

***For the year ended June 30, 2021***

	Program Services				Supporting Services		Total
	Instructional	Student Services	Operations	Programs subtotal	General and Administrative	Development and Fundraising	
Salaries and benefits	\$ 6,968,577	\$ 3,351,905	\$ 239,622	\$ 10,560,104	\$ 701,115	\$ 407,813	\$ 11,669,032
Payroll taxes	358,943	157,620	13,437	530,000	95,154	18,232	643,386
Advertising	-	-	-	-	2,856	-	2,856
Bookstore	-	148,525	-	148,525	-	-	148,525
Cafeteria	-	681,306	-	681,306	-	-	681,306
Depreciation	539,839	669,265	47,093	1,256,197	47,092	15,698	1,318,987
Dues and subscriptions	-	-	-	-	7,438	-	7,438
Events and activities	-	887,784	-	887,784	-	52,594	940,378
Instructional materials	-	103,686	-	103,686	-	-	103,686
Insurance	58,480	72,501	5,101	136,082	5,100	1,700	142,882
Interest	-	-	-	-	2,062	-	2,062
Miscellaneous	428,863	204,522	353,546	986,931	292,444	169,080	1,448,455
Operating supplies	-	1,225	73,464	74,689	73,631	-	148,320
Professional development	9,622	-	-	9,622	-	-	9,622
Professional fees	-	2,500	-	2,500	39,652	-	42,152
Repairs and maintenance	-	-	264,645	264,645	-	-	264,645
Utilities	134,689	166,981	11,750	313,420	11,750	3,917	329,087
<b>Total expenses</b>	<b>\$ 8,499,013</b>	<b>\$ 6,447,820</b>	<b>\$ 1,008,658</b>	<b>\$ 15,955,491</b>	<b>\$ 1,278,294</b>	<b>\$ 669,034</b>	<b>\$ 17,902,819</b>

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

**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Statement of Functional Expenses (Continued)**

*For the year ended June 30, 2020*

	Program Services				Supporting Services		Total
	Instructional	Student Services	Operations	Programs subtotal	General and Administrative	Development and Fundraising	
Salaries and benefits	\$ 6,587,538	\$ 3,068,065	\$ 212,910	\$ 9,868,512	\$ 776,679	\$ 473,223	\$ 11,118,414
Payroll taxes	336,363	151,497	11,872	499,732	92,731	17,563	610,026
Advertising	-	-	-	-	2,205	-	2,205
Bookstore	-	191,160	-	191,160	-	-	191,160
Cafeteria	-	772,769	-	772,769	-	-	772,769
Depreciation	542,951	673,125	47,364	1,263,440	47,364	15,788	1,326,592
Dues and subscriptions	-	-	-	-	7,716	-	7,716
Events and activities	-	960,577	-	960,577	-	153,336	1,113,913
Instructional materials	-	221,872	-	221,872	-	-	221,872
Insurance	85,197	70,262	4,944	160,403	4,944	1,648	166,995
Interest	-	-	-	-	2,937	-	2,937
Miscellaneous	469,857	200,706	357,373	1,027,936	274,788	257,281	1,560,005
Operating supplies	-	4,807	76,241	81,048	82,838	-	163,886
Professional development	28,429	-	-	28,429	-	-	28,429
Professional fees	-	1,750	-	1,750	29,432	-	31,182
Repairs and maintenance	-	-	202,756	202,756	-	-	202,756
Utilities	132,701	164,517	11,576	308,794	11,576	3,859	324,229
<b>Total expenses</b>	<b>\$ 8,183,036</b>	<b>\$ 6,481,107</b>	<b>\$ 925,036</b>	<b>\$ 15,589,178</b>	<b>\$ 1,333,210</b>	<b>\$ 922,698</b>	<b>\$ 17,845,086</b>

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

**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Statements of Cash Flows**

<i>For the years ended June 30,</i>	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Change in net assets	\$ 7,571,053	\$ 5,799,815
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	1,318,987	1,326,592
Donor restricted contributions and investment income	(5,348)	(1,188,160)
Change in value of beneficial interest	(1,224,445)	14,223
Forgiveness of Paycheck Protection Program loan	(2,155,600)	-
Change in operating assets and liabilities		
Accounts receivable	21,876	(5,061)
Promises to give	(889,134)	(2,543,342)
Inventory	(461)	207,405
Other assets	(392,606)	(184,801)
Accounts payable and accrued expenses	124,185	204,704
Accounts payable - related parties	(3,022)	28,522
Contract liabilities	111,820	(437,593)
Agency funds	90,936	(37,327)
Net cash provided by (used in) operating activities	<b>4,568,241</b>	<b>3,184,977</b>
<b>Investing Activities</b>		
Net (increase) decrease in funds on deposit with CENGI	1,199,436	(4,953,896)
Transfer of funds to foundation	(3,783,496)	(513,569)
Purchases of property and equipment	(562,419)	(820,188)
Net cash provided by (used in) investing activities	<b>(3,146,479)</b>	<b>(6,287,653)</b>
<b>Financing Activities</b>		
Donor restricted contributions and investment income	5,348	1,188,160
Proceeds from Paycheck Protection Program loan	-	2,155,600
Payments on capital lease obligations	(24,446)	(21,362)
Net cash provided by (used in) financing activities	<b>(19,098)</b>	<b>3,322,398</b>
Net change in cash and cash equivalents	<b>1,402,664</b>	<b>219,722</b>
Cash and cash equivalents at beginning of year	<b>1,820,317</b>	<b>1,600,595</b>
Cash and cash equivalents at end of year	<b>\$ 3,222,981</b>	<b>\$ 1,820,317</b>

**Schedule of Noncash Transactions:**

Capital lease obligation incurred for acquisition of equipment	\$ -	\$ 73,705
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*The accompanying notes are an integral part of these financial statements.*

**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Notes to Financial Statements**

**Note 1: DESCRIPTION OF THE ORGANIZATION**

St. Pius X Catholic High School (the School) was established in 1958 to provide college preparatory education for the formation of the mind, body and spirit in accordance with the teaching ministry of the Catholic Church. The School operates as a division of Catholic Education of North Georgia, Inc. (CENGI). CENGI is a Georgia nonprofit organization which has been granted exempt status under Section 501(c)(3) of the Internal Revenue Code. CENGI owns and operates six schools within the territory of the Roman Catholic Archdiocese of Atlanta (the Archdiocese). The Archbishop of the Roman Catholic Archdiocese of Atlanta is the sole member of the corporation and exercises control over CENGI by appointing or approving members of the Board of Directors. The School's enrollment was approximately 1,100 students for the years ended June 30, 2021 and 2020.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

***Use of Estimates***

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

***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

***Funds on Deposit with CENGI***

The School has funds set aside by management for capital replacements and other specific uses. Funds are invested in in the CENGI Deposit and Loan Fund. CENGI's Deposit and Loan Fund receives funds from the various CENGI schools and in turn loans funds to other CENGI schools. The School's funds invested in the CENGI Deposit and Loan Fund earn interest at the rate of 0.75% (1.25% prior to July 2020 and 1.75% prior to April 2020).

***Accounts Receivable***

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The School provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of students' families to meet their obligations.

**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Accounts Receivable (continued)***

Receivables are considered impaired if full payment is not received in accordance with the contractual terms. It is the School's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. All accounts receivable are considered collectible and no allowance has been recorded as of June 30, 2021 and 2020.

***Promises to Give***

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

***Inventory***

Inventories are stated at the lower of cost or net realizable value, determined by the first-in, first-out method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs. Inventories consist primarily of school apparel and supplies.

***Beneficial Interest in Assets Held by the Foundation***

The School is the beneficiary of certain endowment funds held and administered by the Catholic Foundation of North Georgia (the Foundation), the purpose of which is to support the future needs of the School. The Foundation has ownership and control of the endowment funds. Pursuant to financial accounting standards, the value of the School's interest is valued at the net present value of the School's expected future cash flows from the funds and has been recorded as net assets with donor restrictions and related beneficial interest in assets held by the Foundation in the financial statements.

***Property and Equipment***

All acquisitions of property and equipment in excess of \$2,500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

***Net Assets***

The School reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Net Assets (continued)***

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the School, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for various reserves (Notes 3 and 9).

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

***Revenue Recognition***

Student tuition, enrollment and application fees, and student activity fees are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with student families are satisfied.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

***Donated Assets***

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Functional Allocation of Expenses***

Directly identifiable expenses are charged to programs and supporting services. Other expenses that are common to several functions, such as payroll, utilities, insurance, depreciation and interest, are allocated among the programs and supporting activities based on time spent and estimates of asset usage.

***Advertising***

The School uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2021 and 2020, advertising costs were approximately \$2,900 and \$2,200, respectively.

***Income Taxes***

The School is included in the group exemption issued to the United States Conference of Catholic Bishops and thereby has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements. Income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. The School considers all of its activities to be directly related to its exempt purpose in 2021 and 2020.

***Reclassifications***

Certain reclassifications were made to prior year balances to conform with current year presentation.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 12, 2022. See Note 17 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Accounting Guidance not yet Adopted***

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The School is currently evaluating the impact of the guidance on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. The ASU is effective for fiscal years beginning after June 15, 2021. Early adoption is permitted. The School is currently evaluating the full effect that the adoption of this standard will have on the financial statements.



**St. Pius X Catholic High School**  
**(A Division of Catholic Education of North Georgia, Inc.)**  
**Notes to Financial Statements**

**Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY**

The School maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the School's expenditures come due. The following reflects the School's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions:

<i>June 30,</i>	<b>2021</b>	2020
Financial assets at year-end:		
Cash and cash equivalents	\$ 3,222,981	\$ 1,820,317
Funds on deposit with CENGI	<b>21,098,823</b>	22,298,259
Accounts receivable	<b>4,111</b>	25,987
Promises to give	<b>3,448,418</b>	2,559,284
Beneficial interest in assets held by foundation	<b>9,108,414</b>	4,100,473
<b>Total financial assets</b>	<b>36,882,747</b>	30,804,320
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions		
Scholarships and faculty supplements	<b>447,500</b>	4,063,829
Capital campaign	<b>5,632,270</b>	2,559,284
Beneficial interest in assets held by foundation	<b>9,108,414</b>	4,100,473
Other donor purpose restricted	<b>496,619</b>	323,765
Board designated		
Capital replacement reserves	<b>2,792,934</b>	2,750,257
Future land acquisition	<b>1,873,146</b>	1,524,641
Stadium improvements	<b>1,096,145</b>	962,730
Other	<b>16,274</b>	20,867
Agency funds	<b>125,315</b>	211,152
<b>Total amounts not available for use</b>	<b>21,588,617</b>	16,516,998
<b>Financial assets available to meet expenditures within one year</b>	<b>\$ 15,294,130</b>	<b>\$ 14,287,322</b>

Financial assets at year-end as noted in the above schedule exclude inventory, property and equipment and other assets.

The School's funds on deposit with CENGI for tuition and fees paid in advance and operational savings totaled \$21,098,823 at June 30, 2021. Other funds on deposit with CENGI in the amount of \$8,073,053 at June 30, 2021, have been designated for various purposes, including capital replacement reserves, and the School does not intend to use these funds for operations. However, these amounts could be made available if necessary.

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**Note 4: FUNDS ON DEPOSIT WITH CENGI**

Funds on deposit with CENGI at June 30, 2021 and 2020, are as follows:

<i>June 30,</i>	<b>2021</b>	<b>2020</b>
Deposit and loan fund		
Tuition and fees paid in advance and operational savings	\$ 13,025,770	\$ 10,661,605
Scholarships and faculty supplements	414,884	3,843,446
Capital replacement reserves	7,503,958	5,482,750
Paycheck Protection Program funds	-	2,155,600
Agency funds	154,211	154,858
<b>Total</b>	<b>\$ 21,098,823</b>	<b>\$ 22,298,259</b>

**Note 5: CAPITAL CAMPAIGN AND PROMISES TO GIVE**

Promises to give at June 30, 2021 and 2020, consist primarily of pledges related to a new capital campaign announced in September 2019. Promises to give as of June 30, 2021 and 2020, consist of the following:

<i>For the years ended June 30,</i>	<b>2021</b>	<b>2020</b>
Promises to give, beginning of year	\$ 2,584,761	\$ 15,942
Contributions from pledges	2,424,432	3,124,334
Payments received on pledges	(1,527,708)	(536,048)
Write-offs	(3,412)	(19,467)
	<b>3,478,073</b>	<b>2,584,761</b>
Less net present value adjustment	(29,655)	(22,955)
Less allowance for uncollectible promises to give	-	(2,522)
<b>Promises to give, end of year</b>	<b>\$ 3,448,418</b>	<b>\$ 2,559,284</b>
Amounts due in:		
Less than one year	\$ 1,477,537	\$ 1,036,261
Within one to six years	2,000,536	1,548,500
<b>Total</b>	<b>\$ 3,478,073</b>	<b>\$ 2,584,761</b>

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**Note 6: PROPERTY AND EQUIPMENT**

The components of property and equipment at June 30, 2021 and 2020, are as follows:

<i>June 30,</i>	Estimated Useful Lives (in years)	<b>2021</b>	2020
Land improvements	5-20	<b>\$ 3,202,635</b>	\$ 3,202,635
Buildings and improvements	5-50	<b>19,992,571</b>	19,914,806
Furniture, fixtures and equipment	5-20	<b>7,161,866</b>	6,815,249
		<b>30,357,072</b>	29,932,690
Less accumulated depreciation		<b>(18,860,541)</b>	(17,631,477)
		<b>11,496,531</b>	12,301,213
Land		<b>6,939,391</b>	6,939,391
Construction in progress		<b>48,114</b>	-
		<b>\$ 18,484,036</b>	\$ 19,240,604

Depreciation expense for the years ended June 30, 2021 and 2020, was \$1,318,987 and \$1,326,592, respectively.

Construction in progress represents architect fees related to the capital campaign project (Note 5) which is still in Phase I. The total estimated project cost is approximately \$12,000,000, of which contracts of approximately of \$1 million have been signed as of June 30, 2021, to be completed over the next several years.

**Note 7: AGENCY FUNDS**

The School has a number of student organizations that are associated with the School through fund raising and other student activities. All receipts and expenditures by these organizations are handled by the School but are not considered revenue and expenses of the School. The excess of receipts over expenditures of these funds are liabilities of the School and are recorded as agency funds.

**Note 8: PAYCHECK PROTECTION PROGRAM LOAN**

In May 2020, in response to the global pandemic, the School applied for and received a loan totaling approximately \$2,155,000 through the Paycheck Protection Program under the CARES Act. The School applied for forgiveness of approximately \$2,155,000 of the debt and recorded the amount as Forgiveness of Paycheck Protection Program loan during 2021. On March 3, 2021, the School received notice that the loan and related interest had been forgiven.

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**Note 9: NET ASSETS**

The Board of Directors of the School reviews its plans for future property improvements and acquisitions from time to time and designates appropriate sums of net assets without donor restrictions to ensure adequate financing of such improvements and acquisitions.

A summary of net assets without donor restrictions follows:

<i>June 30,</i>	<b>2021</b>	2020
Unrestricted	<b>\$ 29,976,122</b>	\$ 27,143,838
Board designated		
Capital replacement reserves	<b>2,792,934</b>	2,750,257
Future land acquisition	<b>1,873,146</b>	1,524,641
Stadium improvements	<b>1,096,145</b>	962,730
Parent associations	<b>125,315</b>	211,152
Other	<b>16,274</b>	20,867
<b>Total net assets without donor restrictions</b>	<b>\$ 35,879,936</b>	<b>\$ 32,613,485</b>

A summary of net assets with restrictions follows:

<i>June 30,</i>	<b>2021</b>	2020
Subject to passage of time or expenditure for specified purpose:		
Scholarships	<b>\$ 148,480</b>	\$ 795,213
Capital campaign	<b>5,632,270</b>	2,902,134
Various restricted donations	<b>496,619</b>	323,765
	<b>6,277,369</b>	4,021,112
Perpetual in nature:		
Scholarships	<b>299,020</b>	3,258,616
Beneficial interest in assets held by Foundation	<b>9,108,414</b>	4,100,473
	<b>9,407,434</b>	7,359,089
<b>Total net assets with donor restrictions</b>	<b>\$ 15,684,803</b>	<b>\$ 11,380,201</b>

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**Notes to Financial Statements**

**Note 10: REVENUE**

***Revenue from Tuition and Fees***

Student tuition and fees are accounted for in accordance with ASC 606. Education provided during the school year is considered the primary performance obligation and, thus, tuition along with registration and application fees are recorded ratably over the course of the School's year as increases in net assets without restrictions, net of applicable discounts. Tuition and fees received in advance are deferred until the applicable school term and are recorded as contract liabilities on the statements of financial position.

Other student activity revenue related to events and activities are recorded either at a point in time or over a period of time depending on the nature of the event or activity. Cafeteria revenue, included in revenue from student tuition, fees and other income, is recognized when meals are provided to students.

Financial aid and scholarships are awarded based on need and other factors as specified by the scholarship's donor or determined by management and are recognized ratably over the course of the school year as education is provided.

As of June 30, 2021, there were \$2,947,827 of performance obligations to be satisfied, all of which is expected to be recognized as revenue in 2022.

Faculty with students enrolled at the organization receive a discount on each student's tuition. The benefit associated with the faculty discount is recognized in salaries and benefits expense. For the years ended June 30, 2021 and 2020, there was approximately \$196,000 and \$178,000 of employee benefit expense, respectively.

***Contributions, Subsidies and Support***

The School receives a tuition subsidy from the Archdiocese. Additionally, the School receives contributions throughout the year from various donors. The Schools recognizes these items when received or when an unconditional promise to give is made known, and considers them to be available for use without restriction unless the donor stipulates otherwise, in accordance with ASU 2018-08.

Fundraising revenue is related to special events and activities of the Home and School Association and other groups whose primary function is to raise additional funds for the School.

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**Notes to Financial Statements**

**Note 10: REVENUE (Continued)**

***Disaggregated Revenue***

A summary of disaggregated revenue information follows:

<i>For the years ended June 30,</i>	<b>2021</b>	2020
Tuition, net of discounts	<b>\$ 15,717,540</b>	\$ 15,108,255
Enrollment and application fees	<b>379,150</b>	334,288
Bookstore	<b>421,237</b>	740,636
Student activities	<b>122,561</b>	133,004
Cafeteria	<b>640,580</b>	795,528
Financial aid and scholarships	<b>(958,481)</b>	(781,340)
<b>Total revenue from tuition and fees, net</b>	<b>16,322,587</b>	16,330,371
Related party tuition subsidies	<b>210,000</b>	210,000
Contributions	<b>4,665,817</b>	5,606,783
Events and fundraising	<b>509,198</b>	932,212
<b>Total contributions, subsidies and support</b>	<b>5,385,015</b>	6,748,995
Investment income	<b>155,619</b>	302,512
Other income	<b>230,606</b>	277,246
<b>Total other income</b>	<b>386,225</b>	579,758
<b>Total revenue and other support</b>	<b>\$ 22,093,827</b>	\$ 23,659,124

***Contract Balances***

<i>June 30,</i>	<b>2021</b>	2020
Contract liabilities, beginning of year	<b>\$ 2,836,007</b>	\$ 3,273,600
Contract liabilities, end of year	<b>\$ 2,947,827</b>	\$ 2,836,007
Receivable from contracts, beginning of year	<b>\$ 25,987</b>	\$ 20,926
Receivable from contracts, end of year	<b>\$ 4,111</b>	\$ 25,987

**St. Pius X Catholic High School**  
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**Note 11: ENDOWMENTS**

The School's endowment and investment funds consist of various funds established for a variety of purposes. The endowment funds include both donor-restricted endowment funds and funds designated by the board to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. There are no board designated endowments as of June 30, 2021 and 2020.

During fiscal year 2012, an endowment was established by a third party with the Foundation (Note 2) for the purpose of providing a permanent endowment to support the future needs and general mission of the School. The Foundation has ultimate authority and control over the endowment fund (the Fund) and it is subject to the investing and spending policies of the Foundation. However, the School is the beneficiary of these funds and is entitled to receive distributions of income after the endowment reaches a specified target amount (three million dollars), subject to the Foundation's spending policies. Pursuant to financial accounting standards, the Fund has been recognized as a beneficial interest in the assets held by the Foundation in the accompanying statement of financial position at the net present value of expected future cash flows from the Fund.

Beginning in fiscal year 2017, endowment funds held in the Archdiocese and CENGI Deposit and Loan Funds are being transferred to the Foundation by St. Pius X (Note 2) for the purposes established in the original donation agreement with St. Pius X. The Foundation has ultimate authority and control over the endowment funds and they are subject to the investing and spending policies of the Foundation. However, the School is the beneficiary of these funds and is entitled to receive distributions of income, subject to the Foundation's spending policies. Pursuant to financial accounting standards, these funds have been recognized as a beneficial interest in the assets held by the Foundation in the accompanying statement of financial position at the net present value of expected future cash flows from the Fund.

Management of the School has interpreted Georgia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of 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 interpretation, the School classifies as net assets with donor restrictions perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions which are perpetual in nature is classified as net assets subject to expenditure for a specified purpose 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:

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

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**Note 11: ENDOWMENTS (Continued)**

*Investment Return Objectives, Risk Parameters and Strategies.* 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 a donor-specified period(s). Under this policy the endowment assets are invested in a manner that is intended to produce a reasonable rate of return under current market conditions with minimal risk. The School also has to maintain compliance with the Archdiocese of Atlanta investment policies.

*Spending Policy.* The School has a policy of appropriating for distribution each year eligible earnings from the prior year plus additional amounts expected for annual contributions for scholarships. Some of the donor restricted scholarships require five to twenty percent of the earnings to be added to corpus each year. 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 a rate that will maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

The endowment funds held by the Foundation are subject to the investment and distribution policies of the Foundation.

Endowment net asset composition by type of fund as of June 30, 2021 and 2020:

<u>June 30,</u>	<u>2021</u>	<u>2020</u>
Endowment funds with donor restrictions		
Subject to expenditure for a specified purpose		
Scholarships	\$ 148,480	\$ 795,213
Perpetual in nature		
Scholarships	299,020	3,258,616
Beneficial interest in assets held by foundation	9,108,414	4,100,473
<b>Total endowment funds</b>	<b>\$ 9,555,914</b>	<b>\$ 8,154,302</b>



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**Note 11: ENDOWMENTS (Continued)**

Changes in endowment net assets for the years ended June 30, 2021 and 2020:

<b><i>For the year ended June 30, 2021</i></b>	Subject to expenditure for specified purpose	Perpetual in Nature	Total
Endowment net assets, beginning of year	\$ 795,213	\$ 7,359,089	\$ <b>8,154,302</b>
Contributions	272,174	5,300	<b>277,474</b>
Investment income	25,594	48	<b>25,642</b>
Change in value of beneficial interest	-	1,224,445	<b>1,224,445</b>
Transfers	(708,152)	818,552	<b>110,400</b>
Appropriation for expenditure	(236,349)	-	<b>(236,349)</b>
<b>Endowment net assets, end of year</b>	<b>\$ 148,480</b>	<b>\$ 9,407,434</b>	<b>\$ 9,555,914</b>

<b><i>For the year ended June 30, 2020</i></b>	Subject to expenditure for specified purpose	Perpetual in Nature	Total
Endowment net assets, beginning of year	\$ 758,730	\$ 6,021,898	\$ 6,780,628
Contributions	182,234	1,188,067	1,370,301
Investment income	51,542	93	51,635
Change in value of beneficial interest	-	(14,223)	(14,223)
Transfers	(52,229)	163,254	111,025
Appropriation for expenditure	(145,064)	-	(145,064)
<b>Endowment net assets, end of year</b>	<b>\$ 795,213</b>	<b>\$ 7,359,089</b>	<b>\$ 8,154,302</b>

**Note 12: FAIR VALUE MEASUREMENTS**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

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**Note 12: FAIR VALUE MEASUREMENTS (Continued)**

*Level 2:* Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Beneficial interest in assets held by the Foundation - the fair value of beneficial interest in assets held by the Foundation (Notes 2 and 11) is based upon the net present value of the School's expected future cash flows. The School does not have the ability to redeem this beneficial interest and withdrawals are limited to the terms of the School's agreement with the Foundation.

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

Assets measured at fair value on a recurring basis, are summarized for the years ended June 30, 2021 and 2020:

<b><i>June 30, 2021</i></b>	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by foundation	\$ -	\$ -	\$ 9,108,414	\$ 9,108,414
<b><i>June 30, 2020</i></b>	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by foundation	\$ -	\$ -	\$ 4,100,473	\$ 4,100,473

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**Note 12: FAIR VALUE MEASUREMENTS (Continued)**

The following is a reconciliation of the change in fair value for the years ended June 30, 2021 and 2020 for Level 3:

<i>For the years ended June 30,</i>	<b>2021</b>	2020
Beneficial interest in assets held by foundation		
Balance, beginning of year	\$ 4,100,473	\$ 3,601,127
Transfer from funds on deposit with CENGI	3,673,096	402,544
Transfer of funds from operations	110,400	111,025
Change in value	1,224,445	(14,223)
<b>Balance, end of year</b>	<b>\$ 9,108,414</b>	<b>\$ 4,100,473</b>

***Changes in Fair Value Levels***

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2021 and 2020, there were no transfers in or out of Levels 1, 2 or 3.

**Note 13: CONCENTRATIONS**

The Financial Accounting Standards Board requires disclosure about financial instruments and related off-balance sheet risk and concentrations of credit risk. The students attending the School are primarily with families who are members of various parishes within the Archdiocese of Atlanta. Any off-balance sheet risk or credit risk is dependent on the financial situation of the families and subsequent support of the Archdiocese.

The School places its cash with financial institutions and CENGI. All bank accounts with financial institutions are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. Cash and cash equivalents held by financial institutions exceeded federally insured limits during the years ended June 30, 2021 and 2020. Funds on deposit with CENGI are not FDIC insured.

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**Note 14: COMMITMENTS**

***Capital Leases***

On August 1, 2019, the School entered into a new capital lease agreement through July 2022. As of June 30, 2021 and 2020, the cost of assets held under capital lease totaled \$73,705 with accumulated amortization of \$3,045 and \$1,305, respectively. The following is a schedule of future minimum lease payments under the capital lease, together with present value of the net minimum lease payments:

<i>For the years ending June 30,</i>	
2022	\$ 26,502
2023	2,209
<hr/>	
Total minimum lease payments	28,711
<hr/>	
Less amount representing interest	(814)
<hr/>	
Present value of future minimum lease payments	\$ 27,897
<hr/>	

**Note 15: RELATED PARTY TRANSACTIONS**

***Archdiocese Tuition Subsidies***

During the year ended June 30, 2021, the School received a tuition subsidy totaling \$210,000 from the Roman Catholic Archdiocese of Atlanta, Inc. (Chancery) to be used for financial aid. During the year ended June 30, 2020, the School received a tuition subsidy totaling \$210,000 from CENGI to be used for financial aid.

***Employee Benefit Plans***

The School participates in a defined contribution retirement plan (the Plan), which is administered by RCAA Administrative Services, Inc. (Services) and covers substantially all lay employees who are over the age of twenty-one and have completed one year of service. Contributions to the Plan are determined based on a percentage of covered employees' salaries, not in excess of amounts allowable under the Internal Revenue Code regulations. The School's contributions to the Plan on behalf of the employees were approximately \$440,000 and \$452,000 for the years ended June 30, 2021 and 2020, respectively.

***Health and Life Insurance***

Health and life insurance for the School's employees are provided under the plans administered by AOA Group Healthcare Plan, LLC. Expenses related to total insurance premiums during the years ended June 30, 2021 and 2020 were approximately \$2,035,000 and \$1,961,000, respectively.

***Funds on Deposit with CENGI***

Funds are invested with the CENGI Deposit and Loan Fund (Notes 2 and Note 4).

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**Note 16: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the School. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

**Note 17: SUBSEQUENT EVENTS**

Management evaluated all events or transactions that occurred after June 30, 2021 through January 12, 2022, the date the School's financial statements were available to be issued. The following item occurred:

Subsequent to year end in October 2021, CENGI acquired land to be used at the School for approximately \$1,487,000.