St. Pius X Catholic High School, Inc.

FINANCIAL STATEMENTS

June 30, 2024 and 2023

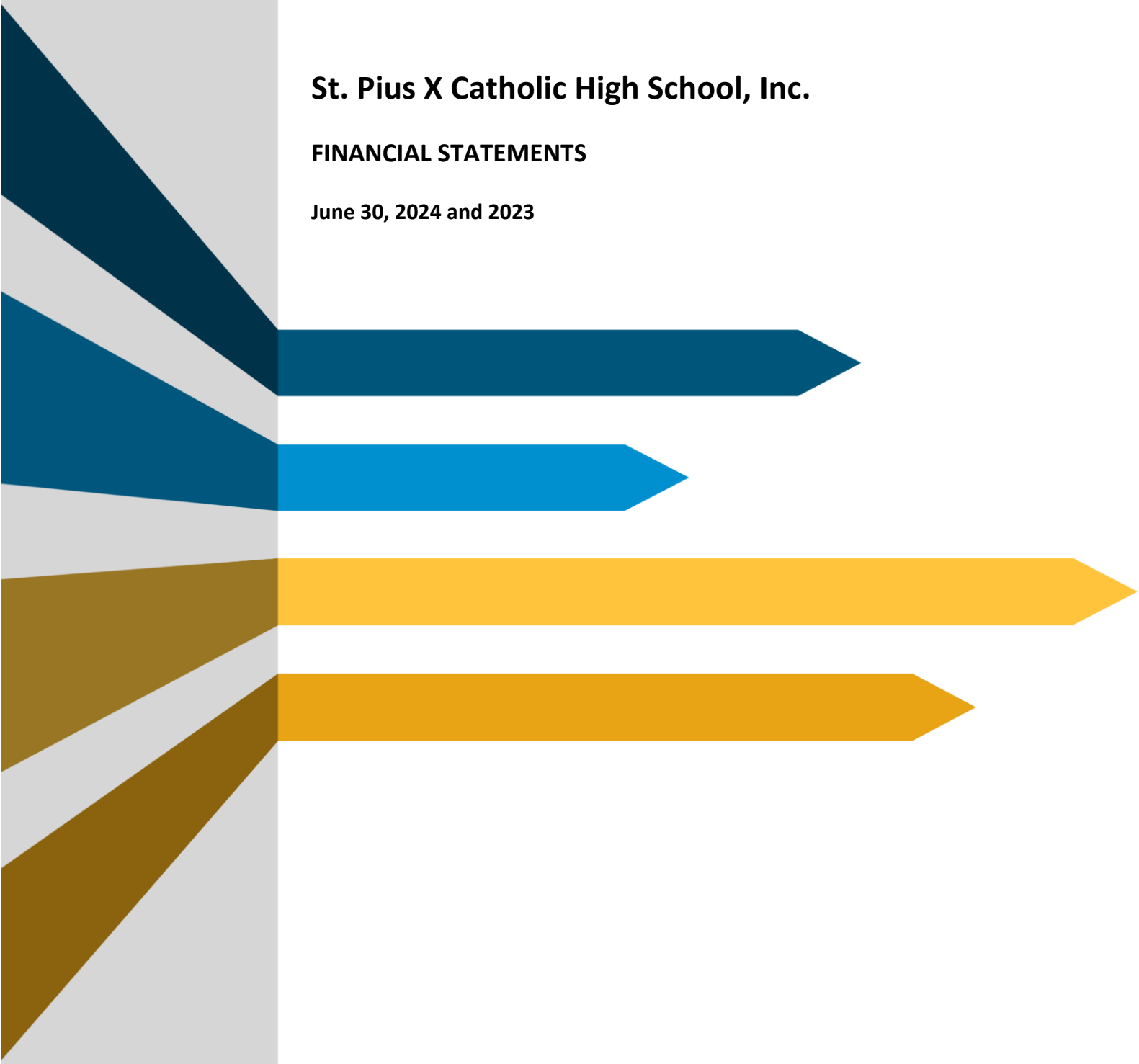


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REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of St Pius X Catholic High School, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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, Inc. (the School) as of June 30, 2024 and 2023, 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 Auditor's 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.

Auditor's 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 auditor's 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 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.

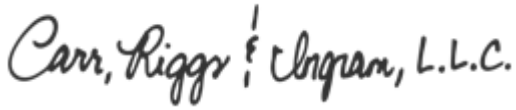
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- 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, Inc.'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, Inc.'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.

Atlanta, Georgia
December 17, 2024

FINANCIAL STATEMENTS

St. Pius X Catholic High School, Inc.
Statements of Financial Position

June 30, 2024

	Without donor restrictions	With donor restrictions	Total
Assets			
Cash and cash equivalents	$ 1,216,351	$ -	**$ 1,216,351**
Funds on deposit with CENGI	18,564,284	1,315,058	**19,879,342**
Accounts receivable - trade, net of allowance of $0	149,860	-	**149,860**
Promises to give, net of allowance of $104,518	752,529	-	**752,529**
Inventory	89,016	-	**89,016**
Investments at fair value	57,336	-	**57,336**
Beneficial interest in assets held by foundation	-	9,940,930	**9,940,930**
Property and equipment, net	37,434,802	-	**37,434,802**
Other assets	354,658	-	**354,658**
Total assets	$ 58,618,836	$ 11,255,988	**$ 69,874,824**
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	$ 2,399,746	$ -	**$ 2,399,746**
Accounts payable - related parties	4,875	-	**4,875**
Performance obligation liabilities	3,143,016	-	**3,143,016**
Agency funds	338,515	-	**338,515**
Total liabilities	5,886,152	-	**5,886,152**
Net assets			
Without donor restrictions			
Undesignated	38,116,103	-	**38,116,103**
Board designated	14,616,581	-	**14,616,581**
Total net assets without donor restrictions	52,732,684	-	**52,732,684**
With donor restrictions			
Purpose restrictions	-	1,267,238	**1,267,238**
Perpetual in nature	-	9,988,750	**9,988,750**
Total net assets with donor restrictions	-	11,255,988	**11,255,988**
Total net assets	52,732,684	11,255,988	**63,988,672**
Total liabilities and net assets	$ 58,618,836	$ 11,255,988	**$ 69,874,824**

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

St. Pius X Catholic High School, Inc.
Statements of Financial Position (Continued)

June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Assets			
Cash and cash equivalents	$ 1,665,332	$ -	$ 1,665,332
Funds on deposit with CENGI	18,557,028	7,159,349	25,716,377
Accounts receivable - trade, net of allowance of $0	50,658	-	50,658
Promises to give, net of allowance of $119,237	1,717,849	-	1,717,849
Inventory	117,377	-	117,377
Investments at fair value	50,907	-	50,907
Beneficial interest in assets held by foundation	-	8,883,195	8,883,195
Operating lease right-of-use assets, net	29,306	-	29,306
Property and equipment, net	28,045,906	-	28,045,906
Other assets	396,756	-	396,756
Total assets	$ 50,631,119	$ 16,042,544	$ 66,673,663
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	$ 3,002,909	$ -	$ 3,002,909
Accounts payable - related parties	8,103	-	8,103
Performance obligation liabilities	3,414,687	-	3,414,687
Agency funds	235,295	-	235,295
Operating lease liabilities	29,306	-	29,306
Total liabilities	6,690,300	-	6,690,300
Net assets			
Without donor restrictions			
Undesignated	31,767,189	-	31,767,189
Board designated	12,173,630	-	12,173,630
Total net assets without donor restrictions	43,940,819	-	43,940,819
With donor restrictions			
Purpose restrictions	-	7,110,854	7,110,854
Perpetual in nature	-	8,931,690	8,931,690
Total net assets with donor restrictions	-	16,042,544	16,042,544
Total net assets	43,940,819	16,042,544	59,983,363
Total liabilities and net assets	$ 50,631,119	$ 16,042,544	$ 66,673,663

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

St. Pius X Catholic High School, Inc.
Statements of Activities

For the year ended June 30, 2024

	Without donor restrictions	With donor restrictions	Total
Revenue and Support			
Revenue from student tuition- net, fees and auxiliary services	$ 19,369,063	$ -	**$ 19,369,063**
Contributions, subsidies and support	2,444,148	1,667,742	**4,111,890**
Other income	825,277	49,748	**875,025**
Net assets released from restrictions	7,651,046	(7,651,046)	**-**
Total revenue and support	30,289,534	(5,933,556)	**24,355,978**
Expenses			
Program services			
Instructional	10,948,599	-	**10,948,599**
Student services	6,504,820	-	**6,504,820**
Operations	1,340,134	-	**1,340,134**
Total program services	18,793,553	-	**18,793,553**
Supporting services			
General and administrative	1,821,760	-	**1,821,760**
Development and fundraising	783,585	-	**783,585**
Total supporting services	2,605,345	-	**2,605,345**
Total expenses	21,398,898	-	**21,398,898**
Change in net assets before other changes	8,890,636	(5,933,556)	**2,957,080**
Unrealized gain on investments	6,429	-	**6,429**
Change in value of beneficial interest	-	1,041,800	**1,041,800**
Change in net assets	8,897,065	(4,891,756)	**4,005,309**
Net assets transferred to endowment	(105,200)	105,200	**-**
Net assets at beginning of year	43,940,819	16,042,544	**59,983,363**
Net assets at end of year	$ 52,732,684	$ 11,255,988	**$ 63,988,672**

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

St. Pius X Catholic High School, Inc.
Statements of Activities (Continued)

For the year ended June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Revenue and Support			
Revenue from student tuition- net, fees and auxiliary services	$ 18,127,204	$ -	$ 18,127,204
Contributions, subsidies and support	1,861,343	3,049,463	4,910,806
Other income	706,205	100,545	806,750
Net assets released from restrictions	6,160,677	(6,160,677)	-
Total revenue and support	26,855,429	(3,010,669)	23,844,760
Expenses			
Program services			
Instructional	10,468,037	-	10,468,037
Student services	6,490,135	-	6,490,135
Operations	1,160,552	-	1,160,552
Total program services	18,118,724	-	18,118,724
Supporting services			
General and administrative	1,700,476	-	1,700,476
Development and fundraising	714,537	-	714,537
Total supporting services	2,415,013	-	2,415,013
Total expenses	20,533,737	-	20,533,737
Change in net assets before other changes	6,321,692	(3,010,669)	3,311,023
Unrealized and realized gain on investments	3,352	-	3,352
Change in value of beneficial interest	-	414,210	414,210
Change in net assets	6,325,044	(2,596,459)	3,728,585
Net assets transferred to endowment	(106,900)	106,900	-
Net assets at beginning of year	37,722,675	18,532,103	56,254,778
Net assets at end of year	$ 43,940,819	$ 16,042,544	$ 59,983,363

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

St. Pius X Catholic High School, Inc.
Statements of Functional Expenses

For the year ended June 30, 2024

	Program Services				Supporting Services		
	Instructional	Student Services	Operations	Programs Subtotal	General and Administrative	Development and Fundraising	Total
Salaries and benefits	$ 8,860,987	$ 2,007,569	$ 442,915	$ 11,311,471	$ 1,136,516	$ 495,955	**$ 12,943,942**
Payroll taxes	403,337	172,448	21,585	597,370	111,377	17,448	**726,195**
Admissions	29,857	-	-	29,857	78,250	95,916	**204,023**
Bookstore	-	288,717	-	288,717	-	-	**288,717**
Cafeteria	-	1,185,439	-	1,185,439	-	-	**1,185,439**
Depreciation	670,500	831,253	58,491	1,560,244	58,491	19,497	**1,638,232**
Dues and subscriptions	2,741	-	-	2,741	19,213	-	**21,954**
Events and activities	-	1,412,226	-	1,412,226	-	139,715	**1,551,941**
Instructional materials	370,950	54,547	-	425,497	-	-	**425,497**
Insurance	104,862	96,158	6,766	207,786	6,766	2,255	**216,807**
Miscellaneous	104,107	45,920	204,051	354,078	243,149	3,292	**600,519**
Operating supplies	-	1,165	85,066	86,231	93,157	-	**179,388**
Professional development	74,317	-	-	74,317	-	-	**74,317**
Professional fees	-	4,050	-	4,050	46,321	-	**50,371**
Repairs and maintenance	145,656	180,578	505,446	831,680	12,706	4,236	**848,622**
Utilities	181,285	224,750	15,814	421,849	15,814	5,271	**442,934**
Total expenses	$ 10,948,599	$ 6,504,820	$ 1,340,134	$ 18,793,553	$ 1,821,760	$ 783,585	**$ 21,398,898**

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

For the year ended June 30, 2023

	Program Services				Supporting Services		
	Instructional	Student Services	Operations	Programs subtotal	General and Administrative	Development and Fundraising	Total
Salaries and benefits	$ 8,559,431	$ 2,091,332	$ 346,012	$ 10,996,775	$ 953,373	$ 438,248	$ 12,388,396
Payroll taxes	375,953	169,046	16,530	561,529	105,142	15,959	682,630
Admissions	35,308	-	-	35,308	115,583	95,325	246,216
Bookstore	-	305,841	-	305,841	-	-	305,841
Cafeteria	-	1,177,423	-	1,177,423	-	-	1,177,423
Depreciation	572,410	709,646	49,931	1,331,987	49,934	16,645	1,398,566
Dues and subscriptions	2,498	-	-	2,498	17,547	-	20,045
Events and activities	-	1,467,217	-	1,467,217	-	129,255	1,596,472
Instructional materials	347,183	49,054	-	396,237	-	-	396,237
Insurance	111,706	103,095	7,254	222,055	7,254	2,418	231,727
Miscellaneous	104,447	69,681	227,623	401,751	267,153	8,651	677,555
Operating supplies	-	351	69,853	70,204	96,213	-	166,417
Professional development	82,755	-	-	82,755	-	-	82,755
Professional fees	-	4,850	-	4,850	64,170	-	69,020
Repairs and maintenance	130,890	162,270	430,661	723,821	11,418	3,806	739,045
Utilities	145,456	180,329	12,688	338,473	12,689	4,230	355,392
Total expenses	$ 10,468,037	$ 6,490,135	$ 1,160,552	$ 18,118,724	$ 1,700,476	$ 714,537	$ 20,533,737

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

St. Pius X Catholic High School, Inc.
Statements of Cash Flows

For the years ended June 30,	**2024**	2023
Operating Activities		
Change in net assets	**$ 4,005,309**	$ 3,728,585
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	**1,638,232**	1,398,566
Amortization of operating lease right-of-use assets	**29,306**	24,218
Change in provision for uncollectible promises to give	**(14,719)**	(35,763)
Loss on disposal of property and equipment	**32,791**	82,893
Unrealized and realized gain on investments	**(6,429)**	(3,352)
Change in value of beneficial interest	**(1,041,800)**	(414,210)
Change in operating assets and liabilities		
Accounts receivable - trade	**(99,202)**	(16,389)
Promises to give	**980,039**	1,274,801
Inventory	**28,361**	38,391
Other assets	**42,098**	334,619
Accounts payable and accrued expenses	**(1,926,945)**	(781,347)
Accounts payable - related parties	**(3,228)**	(266,284)
Performance obligation liabilities	**(271,671)**	346,547
Agency funds	**103,220**	(62,031)
Operating lease liabilities	**(29,306)**	(24,218)
Net cash provided by (used in) operating activities	**3,466,056**	5,625,026
Investing Activities		
Transfer of funds to foundation	**(15,935)**	(214,413)
Proceeds from sale of investments	**-**	891
Purchase of property and equipment	**(9,736,137)**	(6,438,268)
Net cash provided by (used in) investing activities	**(9,752,072)**	(6,651,790)
Net change in cash and cash equivalents and funds on deposit with CENGI	**(6,286,016)**	(1,026,764)
Cash and cash equivalents and funds on deposit with CENGI, at beginning of year	**27,381,709**	28,408,473
Cash, cash equivalents and funds on deposit with CENGI, at end of year	**$ 21,095,693**	$ 27,381,709

(Continued)

For the years ended June 30,	**2024**	2023
Presented on Statements of Financial Position as:		
Cash and cash equivalents	**$ 1,216,351**	$ 1,665,332
Funds on deposit with CENGI	**19,879,342**	25,716,377
Cash, cash equivalents and funds on deposit with CENGI, at end of year	**$ 21,095,693**	$ 27,381,709
Schedule of Noncash Transactions:		
Change in accounts payable related to purchase of property and equipment	**$ 1,323,782**	$ 1,831,826
Lease liabilities arising from obtaining operating lease right-of-use assets	**$ -**	$ 53,524

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

Note 1: DESCRIPTION OF THE ORGANIZATION

St. Pius X Catholic High School, Inc. (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. Catholic Education of North Georgia, Inc. (CENGI) is the sole member of the School and exercises its control through its ability to appoint the members of the School's Board of Directors. CENGI operates five schools within the territory of the Roman Catholic Archdiocese of Atlanta (the Archdiocese). The School's enrollment was approximately 1,050 students for both the years ended June 30, 2024 and 2023.

The School was incorporated on May 5, 2023. Prior to incorporation, the School operated as an unincorporated division of CENGI. On the date of incorporation, all of the related operations were transferred to St. Pius X Catholic High School, Inc. The accompanying financial statements include the operations of the School from July 1, 2022, through May 4, 2023, when it operated as an unincorporated division of CENGI, as well as the operations from incorporation on May 5, 2023 to June 30, 2024.

The School conducts the following programs:

Instructional – The School provides students with access to college preparatory classes, accredited teachers, instructional materials and other instructional supplies.

Student Services – The School integrates spiritual formation, artistic sensibility, and provides athletic opportunities for students, among other extracurricular activities.

Operations – The School provides upkeep of physical infrastructure and maintains optimal conditions of the School's facilities.

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. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for credit losses and allocation of functional expenses.

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 are considered cash and cash equivalents, however they are presented separately on the statements of financial position.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 a rate which varied between 2.75% and 3% during the years ended June 30, 2024 and 2023.

Accounts Receivable

Accounts receivable represent amounts owed to the School which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets are received. There was no allowance for credit losses as of June 30, 2024 and 2023.

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. At June 30, 2024 and 2023, there was an allowance for uncollectible promises in the amount of approximately $105,000 and $119,000, respectively.

Inventory

Inventories are stated at the lower of cost or net realizable value, determined by the first-in, first-out basis. 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Investments

The School reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. During the years ended June 30, 2024 and 2023, total investment income restricted by donors was $49,748 and $100,545, respectively.

At June 30, 2024 and 2023, the School's investments were in a pooled investment fund known as the AoA Common Fund Trust. The investment allocation within the pooled investment fund includes equities and fixed income investments.

Property and Equipment

Title for real property, land, land improvements and building is held by Catholic Education of North Georgia, Inc., for exclusive use by the school.

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 over the estimated useful lives of the assets.

Leases

The School determines if an arrangement is a lease at inception. The School had one operating lease for a trailer which ended during the year ended June 30, 2024.

Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the lease does not provide an implicit rate, the School uses the risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (continued)

The School's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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.

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 it 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. Revenue from tuition is reflected net of reductions from student aid. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

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

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 repairs and maintenance are allocated among the programs and supporting activities based on time spent and estimates of asset usage.

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 2024 and 2023.

The School utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2024 and 2023, the School has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued December 17, 2024, and determined that there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The School adopted the standard effective July 1, 2022, and recognized and measured leases existing at, or entered into after July 1, 2022 (the beginning of the period of adoption), through a cumulative effect adjustment, with certain practical expedients available.

The School elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard (b) whether classification of capital leases or operating leases would be different in accordance with new guidance, or (c) whether the amortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the School recognized on July 1, 2022, a lease liability at the carrying amount of the operating lease obligations of $53,524 and an operating lease right-of-use asset of $53,524.

The standard had an impact on the School's statements of financial position, but did not have an impact on the statements of activities nor statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases, while the accounting for finance leases remained substantially unchanged.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses* (Topic 326): *Measurements of Credit Losses on Financial Instruments*, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss of estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets and credit deterioration.

The School adopted ASU 2016-13 on July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The School maintains its financial assets primarily in cash and cash equivalents and funds on deposit with CENGI to provide liquidity to ensure funds are available as the School's expenditures come due. The board has designated assets for various purposes, however, a portion of these amounts could be made available if necessary.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

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:

June 30,	**2024**	2023
Total assets at year-end	**$ 69,874,824**	$ 66,673,663
Less non-financial assets		
Inventory	**(89,016)**	(117,377)
Operating lease right-of-use assets, net	**-**	(29,306)
Property and equipment, net	**(37,434,802)**	(28,045,906)
Other assets	**(354,658)**	(396,756)
Financial assets at year-end	**31,996,348**	38,084,318
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Donor restricted	**(11,255,988)**	(16,042,544)
Board designated	**(14,616,581)**	(12,173,630)
Promises to give, due after one year	**(221,666)**	(612,507)
Financial assets available to meet expenditures within one year	**$ 5,902,113**	**$ 9,255,637**

The School is principally supported by tuition and fees charged for the education it provides. The goal of the School is to maintain available financial assets to meet its next 90 days of operating expenses. In the event of unanticipated liquidity needs, the School can release its Board designated funds.

Note 4: FUNDS ON DEPOSIT WITH CENGI

Funds on deposit with CENGI at June 30, 2024 and 2023, are as follows:

June 30,	**2024**	2023
Deposit and loan fund		
Tuition and fees paid in advance and operational savings	**$ 9,891,968**	$ 11,916,547
Capital replacement reserves	**9,872,154**	13,662,222
Agency funds	**115,220**	137,608
Total	**$ 19,879,342**	$ 25,716,377

Note 5: CAPITAL CAMPAIGN AND PROMISES TO GIVE

Promises to give at June 30, 2024 and 2023, consist primarily of pledges related to a capital campaign announced in September 2019. The Ring the Bell capital campaign was established to address renovations of the library, safety and security, completion of the sports complex and new field house. Promises to give consist of the following:

For the years ended June 30,	**2024**	2023
Promises to give, beginning of year	**$ 1,848,801**	$ 3,137,287
Contributions of promises	**614,191**	522,286
Payments received on promises	**(1,578,256)**	(1,803,003)
Write-offs	**(23,331)**	(7,769)
Subtotal	**861,405**	1,848,801
Less net present value adjustment	**(4,358)**	(11,715)
Less allowance for uncollectible promises to give	**(104,518)**	(119,237)
Promises to give, end of year	**$ 752,529**	$ 1,717,849
Amounts due in:		
Receivable within one year	**$ 639,739**	$ 1,236,294
Receivable in one to six years	**221,666**	612,507
Total	**$ 861,405**	$ 1,848,801

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at June 30, 2024 and 2023:

	Estimated Useful Lives (in years)	**2024**	2023
Land improvements	5-20	**$ 3,139,815**	$ 3,139,815
Buildings and improvements	5-50	**39,414,397**	23,988,104
Furniture, fixtures and equipment	5-20	**6,073,716**	5,914,730
Total depreciable property and equipment		**48,627,928**	33,042,649
Less accumulated depreciation		**(19,748,439)**	(18,527,952)
Total depreciable property and equipment, net		**28,879,489**	14,514,697
Land		**8,555,313**	8,555,313
Construction in progress		**-**	4,975,896
Property and equipment, net		**$ 37,434,802**	$ 28,045,906

Depreciation expense for the years ended June 30, 2024 and 2023 was $1,638,232 and $1,398,566, respectively.

Note 7: LEASES

The School had an operating lease for a trailer which ended during the year ended June 30, 2024.

The components of lease expense consist of the following:

For the years ended June 30,	**2024**	2023
Operating lease cost	**$ 29,306**	$ 25,219

Weighted average remaining lease term and discount rates consist of the following:

For the years ended June 30,	**2024**	2023
Weighted average remaining lease term		
Operating lease	**-**	1 year
Weighted average discount rate		
Operating lease	**-**	2.90%

Note 8: 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 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 consists of the following:

June 30,	**2024**	2023
Unrestricted	**$ 38,116,103**	$ 31,767,189
Board designated		
Operating reserve	**4,653,376**	4,517,479
Capital replacement reserves	**6,359,403**	4,942,494
Future land acquisition	**2,013,494**	1,296,801
Stadium improvements	**1,516,007**	1,363,404
Parent associations	**72,084**	36,046
Other	**2,217**	17,406
Total net assets without donor restrictions	**$ 52,732,684**	$ 43,940,819

Note 9: NET ASSETS (Continued)

A summary of net assets with donor restrictions consists of the following:

June 30,	**2024**	2023
Subject to passage of time or expenditure for specified purpose:		
Scholarships	**$ 353,319**	$ 271,476
Capital campaign	**-**	6,060,569
Various restricted donations	**913,919**	778,809
Total	**1,267,238**	7,110,854
Perpetual in nature:		
Scholarships	**47,820**	48,495
Beneficial interest in assets held by Foundation	**9,940,930**	8,883,195
Total	**9,988,750**	8,931,690
Total net assets with donor restrictions	**$ 11,255,988**	$ 16,042,544

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 performance obligations 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 auxiliary services, 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, 2024, there were $3,143,016 of performance obligations to be satisfied, all of which is expected to be recognized as revenue in 2025.

Faculty with students enrolled at the School receive a 50% and 60% discount on each student's tuition for the years ended June 30, 2024 and 2023, respectively. The benefit associated with the faculty discount is recognized in salaries and benefits expense. For the years ended June 30, 2024 and 2023, there was approximately $176,000 and $166,000 of employee benefit expenses, respectively.

Note 10: REVENUE (Continued)

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 parent associations and the biannual gala whose primary function is to raise additional funds for the School.

Disaggregated Revenue

A summary of disaggregated revenue information follows:

For the years ended June 30,	**2024**	2023
Tuition, net of discounts	**$ 18,181,175**	$ 16,764,771
Enrollment and application fees	**365,200**	363,000
Bookstore	**558,969**	538,465
Student activities	**170,310**	262,942
Cafeteria	**1,241,942**	1,208,608
Financial aid and scholarships	**(1,148,533)**	(1,010,582)
Total revenue from student tuition, fees and auxiliary services, net	**19,369,063**	18,127,204
Related party tuition subsidies	**170,000**	190,000
Contributions	**2,847,634**	3,923,229
Events and fundraising	**1,094,256**	797,577
Total contributions, subsidies and support	**4,111,890**	4,910,806
Investment income	**659,352**	404,596
Other income	**215,673**	402,154
Total other income	**875,025**	806,750
Total revenue and other support	**$ 24,355,978**	$ 23,844,760

Note 10: REVENUE (Continued)

Contract Balances

June 30,	**2024**	2023
Contract assets		
Receivable from contracts, beginning of year	**$ 50,658**	$ 34,269
Receivable from contracts, end of year	**$ 149,860**	$ 50,658
Contract liabilities		
Performance obligation liabilities, beginning of year	**$ 3,414,687**	$ 3,068,140
Performance obligation liabilities, end of year	**$ 3,143,016**	$ 3,414,687

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. As required by generally accepted accounting principles, 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, 2024 and 2023.

An endowment was established 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 statements of financial position at the net present value of expected future cash flows from the Fund.

Absent explicit donor stipulations to the contrary, 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 various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the School's, and (7) the School's investment policies.

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, 2024 and 2023:

June 30,	**2024**	2023
Endowment funds with donor restrictions		
Subject to expenditure for a specified purpose		
Scholarships	**$ 353,319**	$ 271,476
Perpetual in nature		
Scholarships	**47,820**	48,495
Beneficial interest in assets held by foundation	**9,940,930**	8,883,195
Total endowment funds	**$ 10,342,069**	$ 9,203,166

Changes in endowment net assets for the years ended June 30, 2024 and 2023:

For the years ending June 30,	**2024**	2023
Endowment net assets, beginning of year	**$ 9,203,166**	$ 8,653,883
Contributions	**269,794**	396,550
Change in value of beneficial interest	**1,041,800**	414,210
Designations (used)	**(166,361)**	(263,747)
Transfers	**105,200**	106,900
Appropriation for expenditure	**(111,530)**	(104,630)
Endowment net assets, end of year	**$ 10,342,069**	$ 9,203,166

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.

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, 2024 and 2023.

The School's investment balance at June 30, 2024 and 2023, consists of investments in the AoA Common Fund Trust which were measured using the net asset value practical expedient based on the fair value of the underlying assumptions.

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.

Note 12: FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis, consists of the following:

June 30, 2024	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by foundation	$ -	$ -	$ 9,940,930	**$ 9,940,930**
AoA Common Fund Trust [(A)]	$ -	$ -	$ -	**$ 57,336**

June 30, 2023	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by foundation	$ -	$ -	$ 8,883,195	$ 8,883,195
AoA Common Fund Trust [(A)]	$ -	$ -	$ -	$ 50,907

([A]) Investments that are measured at fair value using the net asset value per share have been excluded from the fair value hierarchy.

The following is a reconciliation of the change in fair value for the years ended June 30, 2024 and 2023 for Level 3:

For the years ended June 30,	**2024**	2023
Beneficial interest in assets held by foundation		
Balance, beginning of year	**$ 8,883,195**	$ 8,254,572
Transfer from funds on deposit with CENGI	**(89,265)**	107,513
Transfer (to) from funds from operations	**105,200**	106,900
Change in value	**1,041,800**	414,210
Balance, end of year	**$ 9,940,930**	$ 8,883,195

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, 2024 and 2023, 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 maintains cash deposits with financial institutions at June 30, 2024 and 2023, in excess of federally insured limits of approximately $1,020,000 and $1,498,000, respectively. Funds on deposit with CENGI are not FDIC insured.

Note 14: RELATED PARTY TRANSACTIONS

Archdiocese Tuition Subsidies

During the years ended June 30, 2024 and 2023, the School received a tuition subsidy totaling $170,000 and $190,000, respectively, from the Roman Catholic Archdiocese of Atlanta, Inc. (Chancery) 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 $424,000 and $466,000 for the years ended June 30, 2024 and 2023, 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, 2024 and 2023 were approximately $2,129,000 and $2,145,000, respectively. No amounts were owed to AOA Group Healthcare Plan, LLC at June 30, 2024. Amounts owed to AOA Group Healthcare Plan, LLC were approximately $8,000 at June 30, 2023.

Funds on Deposit with CENGI

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