GT Reilly & Company
CPAs and Advisors

Audited Financial Statements

Archbishop Williams High School, Inc.

June 30, 2021

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Independent Auditors' Report on Financial Statements

Board of Trustees
Archbishop Williams High School, Inc.

We have audited the accompanying financial statements of Archbishop Williams High School, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Archbishop Williams High School, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

G. T. Reilly & Company

G.T. Reilly & Company

Milton, Massachusetts
October 19, 2021

Statements of Financial Position

June 30

		2021	2020
Assets (Note 6)			
CURRENT ASSETS			
Cash and cash equivalents		$ **2,684,418**	$ 4,094,431
Cash designated by the board		**600,000**	600,000
Accounts receivable, less allowance for doubtful accounts of $111,000 in 2021 and $132,000 in 2020		**13,400**	59,086
Promises to give (Note 3)		**92,000**	147,350
Prepaid expenses and other assets		**178,373**	29,445
TOTAL CURRENT ASSETS		**3,568,191**	4,930,312
PROPERTY AND EQUIPMENT, NET (Notes 5 & 7)		**15,664,239**	13,557,533
OTHER ASSETS			
Promises to give, net of current portion and discount (Note 3)		**61,784**	16,512
Investments, at fair value (Notes 4 & 14)		**1,700,366**	1,305,722
		1,762,150	1,322,234
		$ **20,994,580**	$ 19,810,079
Liabilities and Net Assets			
CURRENT LIABILITIES			
Accounts payable		$ **19,072**	$ 118,225
Accounts payable - construction costs (Note 5)		**32,124**	38,675
Accrued expenses		**767,843**	624,773
Deferred tuition revenue		**665,158**	497,172
Current maturity of vendor equipment loan (Note 7)		**15,008**	15,008
Notes payables, due within one year (Note 7)		**105,794**	21,347
Bond payable, due within one year (Note 7)		**161,964**	155,796
TOTAL CURRENT LIABILITIES		**1,766,963**	1,470,996
LONG-TERM LIABILITIES			
SBA Paycheck Protection Program Loan, forgivable (Note 6)		**-**	1,076,404
Vendor equipment loan, due after one year (Note 7)		**112,087**	127,093
Notes payable, due after one year (Note 7)		**656,092**	553,511
Bond payable, due after one year (Note 7)		**5,440,033**	5,601,998
Interest rate swap agreement, at fair value (Notes 7 & 14)		**243,078**	373,410
TOTAL LONG-TERM LIABILITIES		**6,451,290**	7,732,416
TOTAL LIABILITIES		**8,218,253**	9,203,412
NET ASSETS			
Without donor restrictions:			
Undesignated		**10,047,685**	8,372,272
Board-designated		**600,000**	600,000
		10,647,685	8,972,272
With donor restrictions (Notes 8 & 9)		**2,128,642**	1,634,395
		12,776,327	10,606,667
		$ **20,994,580**	$ 19,810,079

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

Archbishop Williams High School, Inc.

Statements of Activities and Changes in Net Assets
For the Year Ended June 30

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT						
Tuition and fees	**$10,907,768**	**$**	**$ 10,907,768**	$ 9,344,120	$	$ 9,344,120
Less scholarships and financial aid	**(2,384,569)**		**(2,384,569)**	(1,538,532)		(1,538,532)
Tuition and fees, net	**8,523,199**		**8,523,199**	7,805,588		7,805,588
Gifts and donations	**866,237**	**452,172**	**1,318,409**	746,567	644,846	1,391,413
Catholic Schools Foundation Grant	**166,910**		**166,910**	47,500		47,500
Auxiliary activities	**92,276**	**20,393**	**112,669**	60,996	12,746	73,742
Other program income	**50,540**		**50,540**	50,422		50,422
Net assets released from restrictions (Note 8)	**339,187**	**(339,187)**	**-**	720,049	(720,049)	-
Total Revenues and Support	**10,038,349**	**133,378**	**10,171,727**	9,431,122	(62,457)	9,368,665
OPERATING EXPENSES						
Program Services:						
Instructional	**6,036,234**		**6,036,234**	5,289,179		5,289,179
Athletics	**791,076**		**791,076**	875,612		875,612
Auxiliary and other programs	**597,939**		**597,939**	587,059		587,059
Total Program Services	**7,425,249**		**7,425,249**	6,751,850		6,751,850
Supporting Services:						
General and administrative	**1,602,793**		**1,602,793**	1,400,593		1,400,593
Development	**492,492**		**492,492**	571,171		571,171
Total Supporting Services	**2,095,285**		**2,095,285**	1,971,764		1,971,764
Total Expenses	**9,520,534**		**9,520,534**	8,723,614		8,723,614
CHANGE IN NET ASSETS FROM OPERATIONS	**517,815**	**133,378**	**651,193**	707,508	(62,457)	645,051
NON-OPERATING REVENUE, SUPPORT AND EXPENSES						
Loss on disposal of fixed assets	**(199,943)**	**-**	**(199,943)**	(9,837)	-	(9,837)
Dividend and interest income	**20,743**	**48,120**	**68,863**	21,318	46,402	67,720
Net realized gain on investments	**1,317**	**3,688**	**5,005**	577	3,303	3,880
Net unrealized gain (loss) on investments	**28,745**	**309,061**	**337,806**	(2,814)	(27,404)	(30,218)
Unrealized gain (loss) on interest rate swap agreement (Note 7)	**130,332**		**130,332**	(128,840)		(128,840)
Payroll protection program loan forgiveness (Note 6)	**1,176,404**		**1,176,404**			
CHANGE IN NET ASSETS FROM NON-OPERATING REVENUE AND EXPENSES	**1,157,598**	**360,869**	**1,518,467**	(119,596)	22,301	(97,295)
CHANGE IN NET ASSETS	**1,675,413**	**494,247**	**2,169,660**	587,912	(40,156)	547,756
NET ASSETS AT BEGINNING OF YEAR	**8,972,272**	**1,634,395**	**10,606,667**	8,384,360	1,674,551	10,058,911
NET ASSETS AT END OF YEAR	**$10,647,685**	**$ 2,128,642**	**$ 12,776,327**	$ 8,972,272	$1,634,395	$10,606,667

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

Statement of Functional Expenses

For the Year Ended June 30, 2021

	Program Services						
	Instructional	Athletics	Auxiliary & Other Activities	Total Program Services	General & Administrative	Development	Total
Compensation	$ 3,734,879	$ 354,583	$ 197,834	$ 4,287,296	$ 965,939	$ 266,557	$ 5,519,792
Employee benefits	521,669	41,906	23,381	586,956	114,157	31,503	732,616
Payroll taxes	261,340	24,811	13,843	299,994	67,590	18,652	386,236
Retirement plan	84,572	8,029	4,480	97,081	10,333	6,036	113,450
Total Personnel Expenses	4,602,460	429,329	239,538	5,271,327	1,158,019	322,748	6,752,094
Professional services	-	-	-	-	63,747	31,216	94,963
Professional development	28,331	-	-	28,331	1,659	-	29,990
Academic programs	34,167	-	-	34,167	-	-	34,167
Admissions	-	-	-	-	72,771	-	72,771
Campus Ministry	-	-	15,036	15,036	-	-	15,036
Athletics	-	239,304	-	239,304	-	-	239,304
Student activities	10,454	-	140,962	151,416	-	-	151,416
Bank and credit card charges	-	-	-	-	28,325	3,822	32,147
Insurance	52,107	5,084	4,660	61,851	2,966	424	65,241
Office expense and supplies	84,948	5,006	4,589	94,543	123,405	10,118	228,066
Public relations and advertising	621	-	-	621	900	7,853	9,374
Conference and meetings	969	-		969	12,281	353	13,603
Repairs and maintenance	112,874	11,012	10,095	133,981	6,424	918	141,323
Utilities and telephone	179,932	17,554	16,092	213,578	10,240	1,463	225,281
Dues and subscriptions	5,590	-	-	5,590	12,532	1,209	19,331
Food services			73,221	73,221	-	-	73,221
School store and other auxiliary activities	-	-	16,941	16,941	-	-	16,941
College scholarships	26,606	-	-	26,606	-	-	26,606
Contracted facility services	44,876	4,378	4,013	53,267	2,554	365	56,186
Care of grounds	94,442	9,214	8,446	112,102	5,375	768	118,245
Postage	395	-	-	395	6,589	4,918	11,902
Printing and publications	2,656	-	-	2,656	1,947	37,897	42,500
Gala, golf and other fundraising expenses	-	-	-	-	-	57,896	57,896
Bad debt expense	-	-	-	-	36,925	-	36,925
Depreciation and amortization	517,984	50,535	46,324	614,843	29,479	4,211	648,533
Interest	201,518	19,660	18,022	239,200	11,469	1,638	252,307
Miscellaneous	35,304	-	-	35,304	15,186	4,675	55,165
Total Expenses	$ 6,036,234	$ 791,076	$ 597,939	$ 7,425,249	$ 1,602,793	$ 492,492	$ 9,520,534

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

Archbishop Williams High School, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2020

	Program Services						
	Instructional	Athletics	Auxiliary & Other Activities	Total Program Services	General & Administrative	Development	Total
Compensation	$ 3,296,632	$ 377,323	$ 182,311	$ 3,856,266	$ 874,221	$ 270,270	$ 5,000,757
Employee benefits	371,953	41,571	18,369	431,893	107,991	26,060	565,944
Payroll taxes	234,109	26,165	11,562	271,836	67,970	16,402	356,208
Retirement plan	71,588	8,001	3,535	83,124	20,785	5,016	108,925
Total Personnel Expenses	3,974,282	453,060	215,777	4,643,119	1,070,967	317,748	6,031,834
Professional services	-	-	-	-	58,219	53,672	111,891
Professional development	16,737	-	-	16,737	-	-	16,737
Academic programs	27,739	-	-	27,739	-	-	27,739
Admissions	-	-	-	-	57,078	-	57,078
Campus Ministry	-	-	49,017	49,017	-	-	49,017
Athletics	-	312,247	-	312,247	-	-	312,247
Student activities	14,711	-	112,641	127,352	-	-	127,352
Bank and credit card charges	-	-	-	-	23,733	-	23,733
Insurance	46,538	4,540	4,162	55,240	2,649	378	58,267
Office expense and supplies	52,155	2,436	2,233	56,824	84,541	1,585	142,950
Public relations and advertising	-	-	-	-	-	1,412	1,412
Conference and meetings	8,540	-		8,540	13,116	9,229	30,885
Repairs and maintenance	65,289	6,370	5,839	77,498	3,716	531	81,745
Utilities and telephone	160,183	15,628	14,325	190,136	9,116	1,302	200,554
Dues and subscriptions	3,384	-	-	3,384	9,471	-	12,855
Food services			96,277	96,277	-	-	96,277
School store and other auxiliary activities	-	-	12,234	12,234	-	-	12,234
College scholarships	27,086	-	-	27,086	-	-	27,086
Contracted facility services	52,868	5,158	4,728	62,754	3,009	430	66,193
Care of grounds	76,536	7,467	6,845	90,848	4,356	622	95,826
Postage	160	-	-	160	9,270	10,958	20,388
Printing and publications	7,945	-	-	7,945	2,132	86,571	96,648
Gala, golf and other fundraising expenses	-	-	-	-	-	70,858	70,858
Bad debt expense	10,000	-	-	10,000	-	-	10,000
Depreciation and amortization	502,120	48,987	44,905	596,012	28,576	4,082	628,670
Interest	202,123	19,719	18,076	239,918	11,503	1,643	253,064
Miscellaneous	40,783	-	-	40,783	9,141	10,150	60,074
Total Expenses	$ 5,289,179	$ 875,612	$ 587,059	$ 6,751,850	$ 1,400,593	$ 571,171	$ 8,723,614

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

Archbishop Williams High School, Inc.

Statements of Cash Flows

For the Year Ended June 30

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ 2,169,660**	$ 547,756
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	**648,533**	628,670
Amortization of deferred financing costs	**2,841**	2,841
Loss on disposal of fixed assets	**199,943**	9,837
Net realized gains on investments	**(5,005)**	(3,880)
Net unrealized (gain) loss on investments	**(337,806)**	30,218
Unrealized (gain) loss on interest rate swap agreement	**(130,332)**	128,840
SBA Paycheck Protection Program loan forgiveness	**(1,076,404)**	-
Changes in operating assets and liabilities:		
Accounts receivable, net	**45,686**	(6,605)
Promises to give, net	**10,078**	34,772
Other assets	**(148,928)**	51,322
Accounts payable	**(99,153)**	82,559
Accrued expenses	**143,070**	24,007
Deferred tuition	**167,986**	(220,649)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**1,590,169**	1,309,688
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	**(77,799)**	(51,547)
Sales of investments	**26,125**	48,025
Dividends reinvested, net	**(159)**	(165)
Additions to property and equipment	**(2,961,735)**	(2,645,762)
NET CASH APPLIED TO INVESTING ACTIVITIES	**(3,013,568)**	(2,649,449)
CASH FLOWS FROM FINANCING ACTIVITIES		
SBA Paycheck Protection Program loan, forgivable	**-**	1,076,404
Vendor equipment loan (repayments), net	**(15,006)**	142,101
Proceeds of term loan	**250,000**	-
Payments on notes payable	**(62,971)**	(25,142)
Payments on bond payable	**(158,637)**	(152,701)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**13,386**	1,040,662
NET DECREASE IN CASH AND BOARD-DESIGNATED CASH	**(1,410,013)**	(299,099)
CASH AND BOARD-DESIGNATED CASH:		
AT BEGINNING OF YEAR	**4,694,431**	4,993,530
AT END OF YEAR	**$ 3,284,418**	$ 4,694,431
Supplemental Cash Flow Information		
Cash paid during the year for interest	**$ 252,307**	$ 253,064
Noncash Investing and Financing Activities:		
Cost of construction in progress included in accounts payable	**$ 32,124**	$ 38,675

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

Notes to Financial Statements

June 30, 2021

Note 1 – Nature of Organization

Archbishop Williams High School, Inc. (the "School") is an independent Catholic, college preparatory, grades 7-12 school. The School endeavors to educate young men and women spiritually, intellectually, ethically, and physically. Driven by the love of Christ, in the tradition of the Sisters of Charity of Nazareth, the School integrates learning with faith and strives to graduate socially aware, morally responsible citizens prepared to succeed and to serve their local and global communities.

Note 2 – Significant Accounting Policies

<u>Basis of Accounting and Financial Statement Presentation</u> – The School prepares its financial statements under the accrual method of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). As a not-for-profit corporation, the School presents in its statement of financial position and in its statement of activities and changes in net assets two classes of net assets based on the existence or absence of donor-imposed restrictions as stated below.

<u>Accounting Estimates</u> – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results may differ from those estimates.

<u>Net Assets Without Donor Restrictions</u> – These are net assets available for use in general operations and not subject to specific donor restrictions. At its discretion, the Board of Trustees may designate net assets without restrictions for specific purposes. Currently, board designated net assets are designated for future replacement, improvement or additions to property and equipment.

<u>Net Assets With Donor Restrictions</u> – These net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time, the occurrence of events or the use of the funds as specified by the donor. Other donor-imposed restrictions may be perpetual in nature where the donor stipulates that the funds be maintained in perpetuity, such as endowments.

Donor-restricted support is recorded as “net assets with donor restrictions” when received or pledged. When a temporary donor-imposed restriction expires, either by use of the funds for the specified purpose or by the expiration of a time restriction, related amounts of “net assets with donor restrictions” are reclassified to “net assets without donor restrictions” and reported in the statement of activities as “net assets released from restrictions”.

Contributions made with donor-imposed restrictions to maintain the principal in perpetuity, while allowing the use of income generated therefrom, are also classified as “net assets with donor restrictions”. Income derived from the investment of these perpetual net assets is reported as an increase in “net assets without donor restrictions” or “net assets with donor restrictions” depending on the terms of the donor instrument. Unrealized gains or losses on perpetual net assets are reported as increases or decreases in “net assets with donor restrictions”, unless the donor explicitly states otherwise.

See Notes 8 and 9 regarding restrictions on net assets.

Note 2 – Significant Accounting Policies (Cont.)

Contributions – The School follows guidance under Accounting Standards Update (ASU) 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made". The ASU is intended to assist entities in evaluating whether transactions should be accounted for and reported as contributions or as exchange transactions, and in determining whether a contribution is conditional or unconditional. The ASU clarifies that a contribution represents a nonreciprocal transaction where the grantor or donor does not receive a benefit of commensurate value in return for the assets or resources provided to the recipient. In an exchange transaction, the resource provider receives some thing or benefit of commensurate value in return for the resources provided. Exchange transactions include instances where a transfer of assets represents a payment from a third-party payer on behalf of an existing exchange transaction between the recipient and an identified customer receiving the benefit. However, where the benefit or potential benefit is received by the public or segments thereof, and the resource provider (such as a foundation, government agency, corporation or other entity) only receives indirect or incidental benefit that is not of commensurate value, the transaction is treated as a contribution for accounting purposes.

Distinguishing between contributions and exchange transactions determines the appropriate accounting and reporting for a transaction. Transactions determined to be contributions are reported as revenue or support with or without donor restrictions as described above, Basis of Accounting and Financial Statement Presentation.

Conditional Grants and Contributions – Conditional grants and contributions are not recognized as revenue or support until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. The School has no conditional grants or contributions at June 30, 2021 or 2020.

Promises to Give – Promises to give to the School that are, in effect, "unconditional" are recorded at the present value of their future cash flows. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Promises to give are stated net of an allowance for doubtful collection, when considered necessary, which would be reported on the face of the School's statement of financial position. The allowance is established via a provision for bad debts charged to operations. On a periodic basis, management evaluates its promises to give and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible promises that may become uncollectible, based on evaluations of collectability, the history of prior loss experience and on current economic conditions. The accompanying statements of financial position do not include an allowance for doubtful collection as one was not considered necessary by management.

Contributed Facilities – The accompanying statements of activities do not reflect an amount for support with an equal amount reflected for expense for the difference between the amounts of rent paid under a lease agreement with the Roman Catholic Archdiocese of Boston and the estimated fair rental value of the facilities (contributed facilities), because management does not believe it would be practical to estimate such fair value (see Note 10). If such amount were estimated and recorded, it would have no effect on the amount of the "change in net assets" as reported in the School's accompanying statements of activities for either year.

Fair Value Measurements – The School follows the provisions of the Financial Accounting Standard Board's (FASB) Accounting Standards Codification (ASC) Topic 820, "Fair Value Measurements", for assets and liabilities that are measured at fair value on a recurring basis. This standard applies to certain other existing accounting pronouncements that require or permit fair value measurements. Fair value measurement principles apply to the reporting of the School's investments and an interest rate swap agreement (see Notes 4, 7 and 14).

Note 2 – Significant Accounting Policies (Cont.)

Cash and Cash Equivalents – The School considers highly liquid deposits with maturities of three months or less at purchase to be cash equivalents. Cash designated by the board consists of funds that are designated by the School's Board of Trustees for future replacement, improvement or additions to property and equipment.

Statement of Cash Flows – For the purposes of presenting the statement of cash flows, the School considers cash to be cash in banks, including board-designated cash. Board-designated cash at both June 30, 2021 and 2020 totaled $600,000. The School follows guidance under ASU 2016-18, "Statement of Cash Flows – Restricted Cash", which requires all restricted and board-designated cash and equivalents to be included in the total of cash and cash equivalents in the statements of cash flows.

Accounts Receivable – Accounts receivable for tuition and other revenues are stated net of an allowance for doubtful accounts, which is reported on the face of the School's statement of financial position. The allowance is established via a provision for bad debts charged to operations. On a periodic basis, management evaluates its accounts and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible, based on evaluations of the collectability of individual accounts, the School's history of prior loss experience, and on current economic conditions.

Accounts are written off and charged against the allowance when management believes that the collectability of the specific account is unlikely.

Investments – The School's investments are carried at fair value. Increases or decreases in the fair value of such investments are reflected in the statement of activity (see Note 4).

Property and Equipment – Property and equipment are stated at cost less accumulated provisions for depreciation. Donated equipment is recorded at its estimated value at the time of donation. Maintenance and repairs are expensed as incurred, whereas major purchases are capitalized. The costs of construction projects in process are not subject to depreciation until the projects are complete and put into service.

Depreciation is provided over the estimated useful lives of the assets by using straight-line methods. The estimated useful lives used in the computation are as follows:

Asset	Estimated Useful Lives in Years
Building and improvements	10 - 39
Furniture, fixtures and equipment	5 – 7
Vehicles	5

Deferred Finance Costs – Finance costs associated with the bond payable (see Note 7) were deferred and are being amortized over the life of the bond, 30 years. Amortization expense for each of the years ended June 30, 2021 and 2020 was $2,841, and is charged to interest expense in the statements of activities and changes in net assets. Unamortized deferred financing costs are reflected as a direct reduction to the carrying amount of the bond liability in the statement of financial position.

Note 2 – Significant Accounting Policies (Cont.)

Revenue Recognition – The School recognizes revenues in accordance with FASB Accounting Standards Codification (ASC) Topic 606, "Revenue from Contracts with Customers". The standard is based on the principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the entity expects to be entitled, in exchange for those goods or services. Under Topic 606, revenue recognition is determined through the following steps:

1. Identification of the contract
2. Identification of the performance obligations in the contract
3. Determination of the transaction price
4. Allocation of the transaction price to the performance obligations in the contract
5. Recognition of revenue at a point in time (when), or over time (as), a performance obligation is satisfied

The School recognizes revenue from student tuition and fees during the fiscal year in which the related services are provided to students. Contracts with the students coincide with the School's fiscal year. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. Gross tuition and fees reflect the School's normal tuition rates for all students. Scholarships given on the basis of financial need and/or achievement are presented in the statement of activities and changes in net assets as a reduction to gross tuition and fees. A contract liability is recorded for deferred revenue consisting of tuition and seat deposits received in the current fiscal year that are applicable to future fiscal years.

Auxiliary activities' revenue includes activities related to the School's operations, such as the School bookstore as well as certain student activities including boosters, student council and national honor society. Revenues from most of these activities are recognized at the time of sale, event or other performance obligation.

Hedging Activities – The School accounts for hedging activities under current accounting standards which require that all derivative instruments be measured at fair value and recorded in the statement of financial position as either an asset or a liability. Changes in the fair value of derivatives are recorded each period in the statement of activities. Management of the School designated its interest rate swap agreement as a cash flow hedge on its long-term debt (see Note 7).

Income Tax Status – The School is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax.

Expenses by Nature and Function – The statement of activities and changes in net assets reports a summary of the School's expenses by function, either program or supporting functions. The statement of functional expenses presents the natural classification of expenses by function. Certain expenses are charged directly to the programs to which they relate or to supporting functions. Other expenses require allocation to programs or supporting functions, which is made on a reasonable basis that is consistently applied. The expenses that are generally allocated include salaries and wages, payroll taxes and benefits, which are allocated on the basis of estimated efforts and occupancy related costs, which are allocated based on square footage.

Evaluation of Subsequent Events – Management evaluates subsequent events involving the School for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2021 through October 19, 2021, the date these financial statements were available to be issued.

Note 3 – Promises to Give

Promises to give, summarized by use restriction, are as follows as of June 30:

	2021	2020
Scholarships	**$ 48,000**	$ 11,250
Athletic field renovation	**-**	13,596
Time restricted	**119,000**	141,250
Unrestricted	**-**	1,254
	167,000	167,350
Less discount	**(13,216)**	(3,488)
	$ 153,784	$ 163,862

	2021	2020
Amounts due in:		
Less than one year	**$ 92,000**	$ 147,350
One to five years	**61,784**	16,512
	$ 153,784	$ 163,862

Promises to give are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows has been measured utilizing a risk adjusted discount rate of 8% at June 30, 2021 and 2020.

Note 4 – Investments

Investments consist of the following at June 30:

	2021		2020	
	Cost	**Fair Value**	Cost	Fair Value
Common Investment Fund	**$1,115,559**	**$1,661,559**	$1,059,244	$1,267,074
Certificates of Deposit	**38,807**	**38,807**	38,648	38,648
	$1,154,366	**$1,700,366**	$1,097,892	$1,305,722

The investment in the Common Investment Fund represents shares in a mutual fund established by The Roman Catholic Archbishop of Boston, A Corporation Sole (RCAB), to provide a common investment pool in which it and other related entities may participate. Most of the School's investment in the Common Investment Fund at June 30, 2021 and 2020 relates to net assets with donor restrictions.

The Common Investment Fund invests nearly all of its funds in the RCAB Collective Investment Partnership (the "Investment Partnership"), the underlying investments of which are primarily equity and fixed income securities (U.S. Government and agency securities, asset-backed securities and corporate bonds) owned either directly or indirectly through mutual funds and private entities. The make-up of the Investment Partnership's investments at June 30, 2020 (the most recently issued audited financial statement of the Partnership) was: 35% domestic common stocks, 21% fixed-income securities, 17% private investments and 27% mutual funds and other investments.

The School currently receives a quarterly dividend from the Common Investment Fund equaling 1% of the prior quarter's fair value (4% annually). These dividends are reinvested on a quarterly basis.

See note 14 on Fair Value Measurements.

Note 5 – Property and Equipment

The School's property and equipment consist of the following at June 30:

	2021	2020
Land, building and improvements	**$ 17,975,914**	$ 16,326,596
Furniture, fixtures and equipment	**828,308**	1,002,803
Vehicles	**134,365**	112,392
Construction-in-progress	**380,812**	85,848
	19,319,399	17,527,639
Accumulated depreciation	**(3,655,160)**	(3,970,106)
	$ 15,664,239	$ 13,557,533

At June 30, 2021, construction-in-progress of approximately $381,000 represents costs incurred to date for the athletic field project (the "Ted Healy '86 Sports Complex") which is scheduled to be completed in November 2021. The total expected cost to complete this project is approximately $3.5 million. At June 30, 2020, construction-in-progress of approximately $85,000 represents costs incurred to date for the auditorium seating and staging as well as certain main office improvements, which were all completed during the year ended June 30, 2021.

Note 6 – SBA Paycheck Protection Program Loan

In April of 2020, the School applied for and received a $1,076,404 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under the note agreement, the loan's repayment was guaranteed by the Small Business Administration ("SBA"), it accrued interest at 1%, and it was forgivable and payable by the SBA if the School incurred and paid eligible expenses such as payroll and other specified costs as defined in the CARES Act. The School applied for the loan's forgiveness under the terms of the agreement and in fiscal 2021 it was notified by the SBA that the loan and accrued interest has been forgiven in full and the school was released from obligation under the debt instrument. The amount of the loan forgiveness is reflected as non-operating support in the accompanying statement of activities and changes in net assets for 2021.

Note 7 – Financing Arrangements

Revolving Line of Credit – The School has a $150,000 revolving line of credit with Webster Bank, National Association. The current agreement bears interest at the Eurodollar rate plus 200 basis points and it matures on December 27, 2021. There were no outstanding borrowings under this agreement at June 30, 2021 and 2020.

Bond Payable – In 2013, the School borrowed $6,500,000 pursuant to a loan agreement among the Massachusetts Development Finance Agency ("the Issuer"), Webster, Massachusetts Security Corporation (as "Lender") and the School. The bond was used to refinance the School's existing debt arrangements and to finance the renovation of the School's HVAC system. At June 30, 2021 and 2020**,** $5,665,208 and $5,823,845, respectively, was outstanding on the bond.

The bond matures on September 1, 2043; however, the Lender has the option to tender the bond to be purchased by the School on September 1, 2023. The agreement called for interest-only payments for the first two years, with monthly principal and interest payments commencing on October 1, 2015 in the amount of $10,837, increasing annually by 3.9% through September 1, 2023. Beginning October 1, 2023, principal payments will be $22,022 through maturity. Interest is calculated at 65.5% of the LIBOR rate plus 250 basis points. The effective interest rate at June 30, 2021 and 2020 was 1.69% and 1.75%, respectively.

Note 7 – Financing Arrangements (Cont.)

Annual principal maturities on the bond for the next five years are as follows:

Fiscal Year Ending June 30	Principal Maturities	Unamortized Finance Costs	Net
2022	$ 164,805	$ (2,841)	$ 161,964
2023	171,211	(2,841)	168,370
2024	242,034	(2,841)	239,193
2025	264,268	(2,841)	261,427
2026	264,268	(2,841)	261,427
Thereafter	4,558,622	(49,007)	4,509,615
	$ 5,665,208	$ (63,212)	$ 5,601,996

The Roman Catholic Archdiocese of Boston (RCAB), a related party, has been granted an option to purchase the bond in the event that the School defaults on the agreement. In addition, the RCAB has provided the Issuer and the Lender a security interest in the school building, which the School leases from the RCAB (see Note 10), to serve as additional collateral in the event of default by the School. The RCAB does not guarantee any of the School's debt.

Interest Rate Swap Agreement – To partially limit the School's exposure to variable interest rates, the School entered into an International Swap and Derivative Association (ISDA) interest rate swap agreement with its principal lending institution to manage its exposure to interest rate changes associated with the Bond Agreement.

The effect of the swap is to limit the interest rate exposure on the debt to a fixed rate of 2.08%, versus a formula applied to the one-month LIBOR rate, for a period of 10 years ending on October 1, 2023. In accordance with the swap agreement, the interest expense is calculated based upon the LIBOR rate and the fixed rate. If interest expense as calculated is greater based on the LIBOR rate, the lending institution pays the difference to the School. However, if the interest expense as calculated is greater based on the fixed rate, the School pays the difference to the lending institution. During the years ended June 30, 2021 and 2020, approximately $121,000 and $62,000, respectively, was recorded as an increase to interest expense as a result of this agreement.

Depending on the fluctuations in the LIBOR rate, the School's interest rate exposure and its related impact on interest expense and net cash flow could increase or decrease. The fair value of the interest rate swap agreement is the estimated amount the School would receive or pay to terminate the agreement at a particular point in time, taking into account current interest rates and the creditworthiness of the counterparty. At June 30, 2021, the fair value of the agreement was estimated to be a liability of $243,000 ($373,000 at June 30, 2020), which is reflected on the School's statement of financial position. The change in the estimated fair value of the swap agreement resulted in an unrealized gain of approximately $130,000 in 2021, which is recorded in the statement of activities for the year ended June 30, 2021 (unrealized loss of approximately $129,000 for the year ended June 30, 2020).

This financial instrument involves counterparty credit exposure. The counterparty for this interest rate exchange is a major financial institution that meets the School's criteria for financial stability and creditworthiness. The fair value of the interest rate swap agreement was determined by the financial institution (see Note 14).

Notes Payable – In September of 2017, the School entered into a commercial term loan agreement with the Lender (Webster Bank) for purposes of financing capital improvements. Under this agreement, up to $600,000 could be drawn within a period of 18 months. The agreement called for interest-only payments during this period, which began in November of 2017. Interest was charged at the LIBOR rate plus 250 basis points. The note was to begin amortizing in March of 2019 with monthly principal and interest payments; however, this did not occur during fiscal year 2019, and the School continued to make interest-only payments.

Note 7 – Financing Arrangements (Cont.)

In September of 2019, the note began amortizing, retroactive to March of 2019. The note now bears interest at 5.10%, with required monthly principal and interest payments of $4,181 and a balloon payment of $392,243 due upon maturity on October 1, 2027. The agreement is collateralized by a first mortgage on the administration building. The School has the option to prepay all or part of the principal balance at any time. At June 30, 2021 and 2020, $553,452 and $574,858 respectively is outstanding under this agree-ment.

Additionally, in December of 2020, the School entered into a $250,000 commercial term loan agreement with the same Lender (Webster Bank) for purposes of financing a modular classroom. Under the terms of the agreement, the note bears interest at 3.25% and calls for monthly principal payments of $6,944 plus accrued interest through December of 2023. At June 30, 2021, $208,435 is outstanding under this agree-ment.

Annual principal maturities on the above notes payable for the next five years are as follows:

Fiscal Year Ending June 30	Principal Maturities
2022	$ 105,794
2023	106,967
2024	66,638
2025	26,166
2026	27,533
Thereafter	428,789
	$ 761,887

Collateral and Covenants – The School's financing agreements with Webster Bank are collateralized by a continuing security interest in all assets of the School. The School is also required to maintain specific financial ratios.

Vendor Equipment Loan – In the fall of 2019, the School entered into an agreement with its food services vendor (NexDine, LLC) to fund the purchase of kitchen equipment as part of their Foodservice Agreement. Under this agreement, NexDine agreed to invest $150,075 to be repaid over ten years without interest. The agreement calls for monthly principal payments of $1,250. Annual principal maturities under this agreement will be $15,008 for fiscal years 2021-2029, and $7,033 in fiscal year 2030. Under this agreement, if terminated, the School will be responsible for any unpaid balance.

Note 8 – Classification of Net Assets

The following is a summary of net assets with donor restrictions at June 30:

	2021	2020
Temporary in nature	**$1,521,951**	$ 1,027,704
Perpetual in nature	**606,691**	606,691
	2,128,642	1,634,395

Note 8 – Classification of Net Assets (Cont.)

Net assets with donor restrictions which are temporary in nature, include amounts that are restricted for the following purposes and programs at June 30:

	2021	2020
Scholarships and financial aid	**$ 580,767**	$ 420,137
Accumulated endowment income available for expenditure	**771,523**	452,721
Auxiliary activities	**8,296**	-
Athletic facility	**-**	13,596
Ted Healy '86 Sports Complex	**50,000**	
Time restricted	**111,365**	141,250
	$1,521,951	$ 1,027,704

Net assets with donor restrictions which are perpetual in nature consist of the following endowments at June 30:

	2021	2020
Stephen P. Hassell Scholarship Fund	**$ 6,000**	$ 6,000
Bob Swain Scholarship Fund	**15,000**	15,000
Matthew McLarnon Memorial Fund	**58,630**	58,630
Financial aid	**527,061**	527,061
	$ 606,691	$ 606,691

Donor restricted net assets were released and used for the following purposes during the years ended June 30:

	2021	2020
Scholarships and financial aid	**$ 221,843**	$ 264,486
Auxiliary activities	**12,406**	27,220
Athletic facility	**13,596**	19,957
Time restricted	**91,342**	16,262
Auditorium	**-**	392,124
	$ 339,187	$ 720,049

Note 9 – Endowments

The income associated with endowment funds is classified and reported based on the existence or absence of donor-imposed restrictions. The School's endowments consist of individual funds established for scholarships and financial aid to the students of the School.

Interpretation of Relevant Law – The School has historically viewed the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the School to preserve the fair value of donor-restricted endowment funds as of the gift date, absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as net assets with restrictions the original value of gifts donated to an endowment, and it classifies accumulations to donor-restricted endowments in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. This is regarded as the "historic dollar value" of an endowment fund. Also included in net assets with donor restrictions is accumulated appreciation on the donor-restricted endowment funds, which are available for expenditure in a manner consistent with donor intentions and the standard of prudence prescribed by UPMIFA.

Note 9 – Endowments (Cont.)

Funds with Deficiencies – From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the "historic dollar value". Such deficiencies result from unfavorable market fluctuations that occur, and over time, the deficiencies may reverse due to the appreciation of the underlying investments. Deficiencies of this nature are reported by a charge to net assets with restrictions. There were no such deficiencies at June 30, 2021 and 2020.

Endowment Investment Policy – The School has adopted an investment philosophy which attempts to provide a predictable stream of returns, thereby making funds available for scholarships and financial aid, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the School must hold in perpetuity, or for donor-specified periods. The endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, invest-ment returns are achieved through capital appreciation (realized and unrealized) and dividend income. See Notes 4 and 14 for more details on the School's investments and how they are valued.

Endowment net assets by category are as follows:

	Original Donor-Restricted Gift	Accumulated Income	Total
For the year ended June 30, 2021:			
Stephen P. Hassell Scholarship Fund	**$ 6,000**	**$ 7,205**	**$ 13,205**
Bob Swain Scholarship Fund	**15,000**	**9,500**	**24,500**
Matthew McLarnon Memorial Fund	**58,630**	**28,632**	**87,262**
Endowment - financial aid	**527,061**	**726,186**	**1,253,247**
	$ 606,691	**$ 771,523**	**$ 1,378,214**
For the year ended June 30, 2020:			
Stephen P. Hassell Scholarship Fund	$ 6,000	$ 4,479	$ 10,479
Bob Swain Scholarship Fund	15,000	7,084	22,084
Matthew McLarnon Memorial Fund	58,630	14,552	73,182
Endowment - financial aid	527,061	426,606	953,667
	$ 606,691	$ 452,721	$ 1,059,412

Note 9 – Endowments (Cont.)

Changes in endowment net assets are as follows:

	With Donor Restriction		
	Permanent	Temporary	Total
For the year ended June 30, 2021:			
Endowment fund net assets at beginning of year	**$ 606,691**	**$ 452,721**	**$ 1,059,412**
Interest and dividends	**-**	**44,138**	**44,138**
Realized and unrealized gains on investments	**-**	**287,039**	**287,039**
Appropriation of endowment assets for for expenditure	**-**	**(12,375)**	**(12,375)**
Endowment net assets at end of year	**$ 606,691**	**$ 771,523**	**$ 1,378,214**
For the year ended June 30, 2020:			
Endowment fund net assets at beginning of year	$ 606,691	$ 450,019	$ 1,056,710
Interest and dividends	-	42,505	42,505
Realized and unrealized losses on investments	-	(22,028)	(22,028)
Appropriation of endowment assets for expenditure	-	(17,775)	(17,775)
Endowment net assets at end of year	$ 606,691	$ 452,721	$ 1,059,412

Note 10 – Related Party Transactions and Lease Agreement

Insurance – During the years ended June 30, 2021 and 2020, the School was charged approximately $681,000 and $593,000, respectively, for health, life, disability, workers' compensation, director and officer and property insurance administered by the Roman Catholic Archdiocese of Boston (RCAB).

Lease Agreement - Effective July 1, 2010, the School signed a 50-year lease with RCAB. The lease requires annual payments of one dollar for the first thirty years. During the next ten years of the lease, the School will be required to pay $50,000 per year, reduced by 1% for each $500,000 of leasehold improvements completed during the first thirty years of the agreement, provided that base rent during this period will never be less than $25,000 per year. During the last ten years of the lease, the School will be required to pay $100,000 per year, reduced by 1% for each $500,000 of leasehold improvements completed during the previous ten years. Additionally, base rent for lease years 31-50 will be adjusted annually for inflation, measured by the Consumer Price Index. The School is obligated under the lease agreement to pay all utilities, maintenance, insurance, and other operating expenses on the premises.

Investments – A significant amount of the School's investments are in the Common Investment Fund of the RCAB (see Note 4).

Note 11 – Employee Benefit Plans

403(b) Plan – The School maintains a 403(b) plan for the benefit of its employees. Under this plan, the School made a discretionary contribution of 2% of eligible participant compensation, or approximately $120,000 and $109,000 for the years ended June 30, 2021 and 2020, respectively.

Nonqualified Retirement Plan – Additionally, during 2014, the School implemented a nonqualified retire-ment plan for the benefit of employees in certain departments who have reached the age of 62, and have spent a minimum of 20 years with the School, or 25 years in Catholic education, of which 10 years were with the School. The benefit is a one-time payment to be made upon retirement equal to 10% of a qualified employee’s most recent authorized annual compensation, not to exceed $7,500. At June 30, 2021 and 2020, the accrued liability associated with this retirement plan is approximately $15,000 and $22,000, respectively.

Note 12 – Other Lease Commitments

The School has lease agreements for office equipment that are accounted for as operating leases. Total lease expense approximated $12,000 and $17,000 for the years ended June 30, 2021 and 2020, respectively.

The future minimum lease payments for the equipment leases at June 30, 2021 are as follows:

Fiscal Year Ending June 30	
2022	$ 14,255
2023	14,255
2024	8,315
	$ 36,825

Note 13 – Financial Instruments and Concentrations of Credit Risk

The School's financial instruments that potentially subject it to concentrations of credit risk consist of cash, cash equivalents, promises to give, investments, financing debt and a related interest rate swap agreement. A summary of financial instrument and other concentrations follows.

Cash – The School maintains its cash, cash equivalents, and certificates of deposit in high-quality financial institutions. At times, the amounts on deposit at any institution are in excess of insured limits. At June 30, 2021, there was approximately $2.9 million of deposits in excess of FDIC insured limits based on bank balances; however, approximately $1.4 million is held with a financial institution that is a member of the Depositors Insurance Fund (DIF), a Commonwealth of Massachusetts insurance fund for state-chartered savings banks, which insures all deposits above the FDIC limits.

Donations and Promises to Give – One individual donation of approximately $300,000 represents approximately 23% of total gifts and donations for the year ended June 30, 2021. During the year ended June 30, 2020 one individual restricted donation of approximately $392,000 represented approximately 28% of the School's total gifts and donations. One promise to give to the School at June 30, 2021 of $75,000 represents approximately 50% of the net recorded pledges at June 30, 2021 (see Note 3).

Investments – As more fully discussed in Note 4, the School's investments consist principally of common investment funds administered by the RCAB in the amount of $1,660,559 at June 30, 2021.

Financing Debt – At June 30, 2021, the School has recorded obligations of almost $6.7 million under a collateralized bond and note agreements payable to a local financial institution, including an interest rate swap agreement (see Note 7). This amount approximates 80% of the School's total liabilities and it is equivalent to 31% of the School's total assets.

Note 14 – Fair Value Measurements

The School uses fair value measurements to record fair value adjustments to certain assets and liabilities, and to determine fair value disclosures. Under generally accepted accounting principles, fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances quoted market prices are not available; therefore, fair values are based upon estimates using present value or other valuation techniques. Inputs to valuation techniques refer to assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources; or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available to management.

Note 14 – Fair Value Measurements (Cont.)

Generally accepted accounting principles establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value, and gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

> Level 1 – Observable inputs such as quoted prices in active markets.
>
> Level 2 – Inputs other than Level 1 inputs that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions which are significant to the fair value measurement.

A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The methods used for valuing the assets and liabilities are not necessarily an indication of the risks associated with those assets.

The School's financial assets that are reported at fair value on a recurring basis, by level within the fair value hierarchy, are as follows:

	Level 1	Level 2	Level 3	Totals
June 30, 2021				
Assets:				
Common Investment Fund	**$ -**	**$1,661,559**	**$ -**	**$1,661,559**
Certificates of Deposit	**38,807**	**-**	**-**	**38,807**
Total Assets	**$ 38,807**	**$1,661,559**	**$ -**	**$1,700,366**
Liabilities:				
Interest rate swap agreement	**$ -**	**$ 243,078**	**$ -**	**$ 243,078**
June 30, 2020				
Assets:				
Common Investment Fund	$ -	$1,267,074	$ -	$1,267,074
Certificates of Deposit	38,648	-	-	38,648
Total Assets	$ 38,648	$1,267,074	$ -	$1,305,722
Liabilities:				
Interest rate swap agreement	$ -	$ 373,410	$ -	$ 373,410

The School's unit holdings in the Common Investment Fund do not have quoted prices in active markets or significant other observable inputs that have quoted market prices, although the School can redeem its investment at the net asset value per share. This investment is classified as being valued using Level 2 inputs. The School estimates the fair value of its unit holdings in the Common Investment Fund based on the School's share of the underlying investment portfolio that consists of actively traded equities, bonds and money market funds.

Certificates of deposit are classified as being valued using Level 1 inputs under the fair value hierarchy. The School estimates that the cost of the certificates of deposit approximate their fair value.

Note 15 – Liquidity and Availability of Resources

The School's financial assets available within one year of June 30, 2021 for general expenditures are as follows:

	2021	2020
Financial Assets:		
Cash and cash equivalents	**$ 2,684,418**	$ 4,094,431
Accounts receivable, net	**13,400**	59,086
Promises to give, net	**153,784**	163,862
Investments	**1,700,366**	1,305,722
	4,551,968	5,623,101
Less amounts restricted by donors:		
Donor restricted endowment funds	**(606,691)**	(606,691)
Donor time or purpose restricted	**(1,521,951)**	(1,027,704)
	(2,128,642)	(1,634,395)
Financial assets available for general expenditure within one year	**$ 2,423,326**	$ 3,988,706

The School has a policy to structure its financial assets to be available, and liquid as obligations come due. School management anticipates receiving sufficient revenue through tuition and contributions over the next twelve months to cover general expenditures over that same period. The School has a line of credit in the amount of $150,000 available for use, if necessary. Additionally, the board designated cash of $600,000 which is not reflected in the schedule above, can be made available for general expenditures if necessary, at the discretion of the board.

Note 16 – Effects and Uncertainties of Coronavirus Pandemic

During a portion of the fiscal year ended June 30, 2020, the School operated under state mandated restrictions in response to the Covid 19 pandemic, including a “stay at home” order during which classes were conducted remotely. This situation had no significant effect on the School’s revenues or a disruption of its operations for the year ended June 30, 2020 and, in September of 2020, the School returned to in-person classes with an increase in enrollment and tuition revenues for the year ended June 30, 2021.

As discussed in Note 6, the School obtained a $1,076,000 PPP loan in fiscal year 2020 which was subsequently forgiven in fiscal 2021. However, the School did invest approximately $705,000 in Covid-related expenditures during fiscal 2021 to mitigate the risk to students and staff of exposure to the infection, and subsequently invested $337,000 in a modular classroom to accommodate students under the spacing mandates.

In the spring and summer of 2021, Massachusetts and most other states lifted their significant restrictions and, as of the date of the issuance of these financial statements, a significant amount of the U.S. population has been vaccinated against the virus. However, there still remains uncertainties relative to the pandemic, including the relatively significant size of the population that have not been vaccinated, the surge of the Delta variant of the virus, the efficacy and longevity of vaccinations, and the potential for future economic disruptions and government mandated restrictions. Therefore, it is uncertain at this time what adverse effects the pandemic may have, if any, on the School’s future operations, revenues and support, and on its operating results and financial position.