



Audited Financial Statements

St. Mary's High School  
Foundation, Inc.

June 30, 2021

# St. Mary's High School Foundation, Inc.

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## Audited Financial Statements

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**& COMPANY**  
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## Independent Auditors' Report

Board of Trustees  
St. Mary's High School Foundation, Inc.  
Lynn, Massachusetts

We have audited the accompanying financial statements of St. Mary's High School Foundation, 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, 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 audits 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 Foundation'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 Foundation'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 St. Mary's High School Foundation, 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

Milton, Massachusetts

May 11, 2022



An independent firm associated  
with Moore Global Network Limited

# St. Mary's High School Foundation, Inc.

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## Statements of Financial Position

June 30

	<u>2021</u>	<u>2020</u>
<b><u>Assets</u></b>		
Cash	\$ 28,352	\$ 2,639,634
Cash, restricted	5,646	5,618
Investments, at fair value (Note 3)	2,329,088	1,940,318
Due from St. Mary's High School (Note 7)	231,844	202,143
Promises to give, net (Note 4)	441,112	884,848
Total Assets	<u>\$ 3,036,042</u>	<u>\$ 5,672,561</u>
 <b><u>Liabilities and Net Assets</u></b>		
Accounts payable and accrued expenses	\$ 8,626	\$ 10,225
Net Assets (Notes 5 & 6)		
Without donor restrictions	452,698	114,704
With donor restrictions	2,574,718	5,547,632
	<u>3,027,416</u>	<u>5,662,336</u>
Total Liabilities and Net Assets	<u>\$ 3,036,042</u>	<u>\$ 5,672,561</u>

# St. Mary's High School Foundation, Inc.

## Statements of Activities and Changes in Net Assets

### For the Years Ended June 30

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Gains and Other Support</b>						
Contributions	\$ -	\$ 2,804,790	\$ 2,804,790	\$ -	\$ 5,435,119	\$ 5,435,119
Less writedowns and provision for uncollectible pledges	-	(161,440)	(161,440)	-	(38,279)	(38,279)
	-	2,643,350	2,643,350	-	5,396,840	5,396,840
Contributed services (Note 7)	72,258	-	72,258	73,491	-	73,491
Dividends and interest income	47,939	33,160	81,099	46,319	34,489	80,808
Unrealized gain (loss) on investments	280,393	186,544	466,937	(23,854)	(16,535)	(40,389)
Realized gain on investments	26,457	23,729	50,186	-	-	-
Net assets released from restrictions (Note 5)	5,859,697	(5,859,697)	-	9,019,125	(9,019,125)	-
<b>Total Revenues, Gains and Other Support</b>	<b>6,286,744</b>	<b>(2,972,914)</b>	<b>3,313,830</b>	<b>9,115,081</b>	<b>(3,604,331)</b>	<b>5,510,750</b>
<b>Expenses</b>						
Program:						
Payroll and benefits	18,065	-	18,065	18,373	-	18,373
Distributions to school	5,859,697	-	5,859,697	9,019,125	-	9,019,125
	5,877,762	-	5,877,762	9,037,498	-	9,037,498
General and Administrative:						
Payroll and benefits	18,065	-	18,065	18,373	-	18,373
Professional services and related travel	16,794	-	16,794	13,000	-	13,000
	34,859	-	34,859	31,373	-	31,373
Fundraising:						
Payroll and benefits	36,129	-	36,129	36,746	-	36,746
	36,129	-	36,129	36,746	-	36,746
<b>Total Expenses</b>	<b>5,948,750</b>	<b>-</b>	<b>5,948,750</b>	<b>9,105,617</b>	<b>-</b>	<b>9,105,617</b>
<b>Change in Net Assets</b>	<b>337,994</b>	<b>(2,972,914)</b>	<b>(2,634,920)</b>	<b>9,464</b>	<b>(3,604,331)</b>	<b>(3,594,867)</b>
<b>Net Assets at Beginning of Year</b>	<b>114,704</b>	<b>5,547,632</b>	<b>5,662,336</b>	<b>105,240</b>	<b>9,151,963</b>	<b>9,257,203</b>
<b>Net Assets at End of Year</b>	<b>\$ 452,698</b>	<b>\$ 2,574,718</b>	<b>\$ 3,027,416</b>	<b>\$ 114,704</b>	<b>\$ 5,547,632</b>	<b>\$ 5,662,336</b>

# St. Mary's High School Foundation, Inc.

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## Statements of Cash Flows

For the Years Ended June 30

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$(2,634,920)	\$ (3,594,867)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized and unrealized (gains) losses on investments	(517,123)	40,389
Changes in operating assets and liabilities:		
Promises to give, net	443,736	(376,502)
Due to/from St. Mary's High School	(29,701)	(39,410)
Accounts payable and accrued expenses	(1,599)	(2,777)
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,739,607)</u>	<u>(3,973,167)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(81,072)	(78,186)
Proceeds from the sale of investments	209,425	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>128,353</u>	<u>(78,186)</u>
NET DECREASE IN CASH AND RESTRICTED CASH	(2,611,254)	(4,051,353)
CASH AND RESTRICTED CASH:		
AT BEGINNING OF YEAR	<u>2,645,252</u>	<u>6,696,605</u>
AT END OF YEAR	<u>\$ 33,998</u>	<u>\$ 2,645,252</u>
Reconciliation of total cash and restricted cash to amounts shown in the statements of financial position:		
Cash	\$ 28,352	\$ 2,639,634
Restricted cash	5,646	5,618
	<u>\$ 33,998</u>	<u>\$ 2,645,252</u>

# St. Mary's High School Foundation, Inc.

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## Notes to Financial Statements

June 30, 2021

### Note 1 – Nature of Organization

St. Mary's High School Foundation, Inc. (the "Foundation") was formed on April 22, 2002 for the purpose of raising funds in the form of contributions from individuals, corporations and other foundations, to assist in and facilitate the renovation and improvement of the buildings comprising St. Mary's High School, Inc. (the "School") in Lynn, Massachusetts, and to generally support the overall educational mission of the School. The Foundation and the School share a common membership on their respective Boards.

### Note 2 – Significant Accounting Policies

Basis of Accounting and Reporting – The financial statements of the Foundation have been prepared under the accrual method of accounting in conformity with generally accepted accounting principles.

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

Financial Statement Presentation – The Foundation presents, in its statement of financial position and 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 follows:

*Net Assets Without Donor Restrictions* – These are net assets available for use in general operations and not subject to donor restrictions. At its discretion, the Board of Trustees may designate net assets without restrictions for specific purposes.

*Net Assets With Donor Restrictions* – 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 Note 5 regarding restrictions on net assets.

## **Note 2 – Significant Accounting Policies (Cont.)**

Contributions – The Foundation 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, 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 Foundation has no conditional grants or contributions at June 30, 2021 or 2020.

Promises to Give – Promises to give to the Foundation are stated net of an allowance for doubtful collection, when considered necessary by management, which would be reported on the face of the Foundation’s statement of financial position. The allowance is established via a reduction to contributed support for the year. 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 losses on promises that may become uncollectible, based on evaluations of the collectability of individual pledges, the Foundation’s history of prior loss experience, and on current economic conditions. Promises to give are written off and charged against the allowance when management believes that the collectability of the specific promise to give is unlikely (see Note 4).

Contributed Services from an Affiliate – Support arising from services provided to the Foundation from the School has been recognized in the accompanying financial statements, with an equal amount recognized as expense as the cost recognized by the affiliate providing those services would have been purchased by the Foundation if not contributed (see Note 7).

Fair Value Measurements – The Foundation follows Accounting Standards Codification (ASC) Topic 820 for assets and liabilities that are measured at fair value on a recurring basis, principally its investments. This standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements (see Note 3).

Cash – For the purpose of balance sheet classification, cash consists of amounts on-hand and in bank accounts, including time deposits with original maturities of 90 days or less. Restricted cash accounts are excluded from this classification.

Statement of Cash Flows – For the purposes of presenting the statement of cash flows, the Foundation considers cash to be cash in banks, including restricted cash. Restricted cash has been earmarked for specific purposes by donors. At June 30, 2021 and 2020, restricted cash consists of \$5,646 and \$5,618, respectively, restricted for future replacement, improvement and additions to property and equipment of the School.



## Note 2 – Significant Accounting Policies (Cont.)

Investments – The Foundation’s investments are reported at fair value. Changes in fair value are reflected in the statements of activities as net unrealized gains (losses) on investments (see Note 3).

Expenses by Nature and Function – The statement of activities and changes in net assets reports the Foundation’s expenses by natural classification and by function, either program or supporting functions. Certain expenses are charged directly to the program to which they relate or to supporting functions. Other expenses require allocation to programs and/or supporting functions, which is made on a reasonable basis that is consistently applied in the accompanying financial statements. The expenses that are allocated include salaries and wages, payroll taxes and benefits, which are allocated on the basis of estimated efforts.

Tax-Exempt Status – The Foundation 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 income taxation.

Evaluation of Subsequent Events – Management has evaluated subsequent events involving the Foundation for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2021 through May 11, 2022, the date the accompanying financial statements were available to be issued.

## Note 3 – Investments

Investments consist of the following:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Fair Value</u>
<b><u>June 30, 2021:</u></b>			
<b>Investments in Common Investment Fund</b>	<b>\$ 1,688,594</b>	<b>\$ 640,494</b>	<b>\$ 2,329,088</b>
<u>June 30, 2020:</u>			
Investments in Common Investment Fund	\$ 1,766,761	\$ 173,557	\$ 1,940,318

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.

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, 2021 (the most recently issued audited financial statement of the Partnership) was 32% domestic common stocks, 23% fixed-income securities, 27% private investments and 18% mutual funds and other investments.

The Foundation 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.

Fair Value Measurements – The Foundation follows Accounting Standards Codification (ASC) Topic 820 for assets and liabilities that are measured at fair value on a recurring basis, principally its investments. The standard established a three-level fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value, giving the highest priority to Level 1 measurements. The three levels of the fair value hierarchy are: Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

### Note 3 – Investments (Cont.)

Unit values in the Common Investment Fund (CIF) do not have quoted prices in active markets or significant other observable inputs that have quoted market prices, although the Foundation can redeem its investments at the net asset values per share at June 30, 2021. The Foundation estimates the net asset value of its unit holdings in the CIF based on the Foundation's share of the underlying net assets of the CIF investment portfolio. The Foundation's investment in the CIF is considered valued under Level 2 inputs.

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 fair value of the Investment Partnership's investments in actively-traded domestic securities is determined by State Street Corporation, which obtains bid price quotations from independent pricing services on most securities. Investments in traded foreign securities are fair valued by State Street Corporation at the mean between bid and asked prices. For those securities whose prices are not available through independent pricing services, fair value is estimated by bid price quotations obtained by State Street Corporation from principal makers in those securities, or as determined in good faith by management. Investment holdings of private investment entities that are not actively traded are valued by the managers of those entities.

Risks and Uncertainties – The Foundation's investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with these investment securities, and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the Statement of Financial Position and the Statement of Activities.

### Note 4 – Promises to Give

Promises to give to the Foundation consist of pledges raised for the Foundation's capital campaign program and are summarized as follows:

	<u>2021</u>	<u>2020</u>
Amounts expected to be collected in less than one year	\$ 265,698	\$ 635,713
Amounts expected to be collected in one to five years	<u>250,000</u>	<u>452,000</u>
	<b>515,698</b>	1,087,713
Less allowance for uncollectible promises to give	<b>(52,169)</b>	(152,968)
Less unamortized discount	<u><b>(22,417)</b></u>	<u>(49,897)</u>
Recorded net value of promises to give	<u><b>\$ 441,112</b></u>	<u><b>\$ 884,848</b></u>

Promises to give are recorded at the present value of estimated future cash flows. The present value of estimated cash flows has been measured utilizing a risk adjusted discount rate of 4% at both June 30, 2021 and 2020.

At June 30, 2021, promises to give from three individuals, approximately \$300,000, \$100,000 and \$75,000, represent 58%, 19% and 15% of the total gross promises to give, respectively. The Foundation's remaining promises to give represent donor pledges due from various individuals, corporations, and foundations.

## Note 5 – Net Assets with Restrictions

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

	<u>2021</u>	<u>2020</u>
Temporary in nature	<b>\$ 2,018,250</b>	\$ 4,991,164
Perpetual in nature	<b>556,468</b>	556,468
	<b><u>\$ 2,574,718</u></b>	<b><u>\$ 5,547,632</u></b>

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

	<u>2021</u>	<u>2020</u>
Scholarships & financial aid to students of the High School (CIF)	<b>\$ 614,299</b>	\$ 717,298
Capital campaign for the High School	<b>975,207</b>	3,982,102
Accumulated income from endowments	<b>118,671</b>	24,292
College scholarships for students of the High School	<b>310,073</b>	267,472
	<b><u>\$ 2,018,250</u></b>	<b><u>\$ 4,991,164</u></b>

Donor restricted net assets include the following endowment funds, which are required to be maintained in perpetuity, the income from which is expendable to support scholarships for students of the School at June 30:

	<u>2021</u>	<u>2020</u>
Joseph M. Hines Estate	<b>\$ 168,487</b>	\$ 168,487
Schickling Family Scholarship Fund	<b>109,500</b>	109,500
Corcoran Scholarship in Honor of Eleanor Wessell	<b>229,516</b>	229,516
Terri Maguire Scholarship Fund	<b>48,965</b>	48,965
	<b><u>\$ 556,468</u></b>	<b><u>\$ 556,468</u></b>

Donor restricted net assets, including restricted contributions received during the year, were released and used for the following purposes during the years ended June 30:

	<u>2021</u>	<u>2020</u>
Scholarships and financial aid to students of the High School	<b>\$ 190,425</b>	\$ -
College scholarships	<b>19,000</b>	-
Capital campaign for the High School	<b>5,650,272</b>	9,019,125
	<b><u>\$ 5,859,697</u></b>	<b><u>\$ 9,019,125</u></b>

The capital campaign for the School is for the purpose of creating Arts, Teaching and Student Life facilities and acquiring property that will create space for academic offerings (including the Gateway building) and for increasing the School's endowment, which includes providing more scholarships and financial aid to students of the School.

## Note 6 – Endowments

The Foundation's net assets that are perpetual in nature consist of endowment funds established to support scholarships to students of St. Mary's (see Note 5). As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Foundation has historically viewed the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the Foundation to preserve 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 Foundation classifies as net assets with donor restrictions (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 donor restricted endowment made 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 the endowment fund. Also included in net assets with donor restrictions is the 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.

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”. Deficiencies of this nature are reported by a charge to net assets with donor restrictions. Deficiencies may result from unfavorable market fluctuations that occurred. There were no such deficiencies as of June 30, 2021 and 2020.

Endowment Investment Policy – The Foundation has adopted an investment philosophy which, combined with the spending rate of the School, attempts to provide a predictable stream of returns thereby making funds available to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods. Under the Foundation's Investment Policy and spending rate, both of which are approved by the Board of Trustees, 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, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation has invested its endowment investment portfolio in the Common Investment Fund, which in-turn invests in the Collective Investment Partnership.

The Investment Committee of the RCAB is responsible for selecting the investment managers of the Collective Investment Partnership. The Investment Committee's investment rationale is to include an array of different strategy and investment managers for the Collective Investment Partnership's portfolio to reduce overall volatility while providing investment returns above industry benchmarks. (See Note 3, Investments, for more details on the Foundation's investments and how they are valued.)

## Note 6 – Endowments (Cont.)

Endowment net asset composition by type of fund as of June 30 is as follows:

	Donor-Restricted		
	Temporary in Nature	Perpetual in Nature	Total
<b><u>For the year ended June 30, 2021:</u></b>			
<b>Endowment net assets at beginning of year</b>	<b>\$ 24,292</b>	<b>\$ 556,468</b>	<b>\$ 580,760</b>
<b>Contributions</b>	-	-	-
<b>Interest and dividends</b>	<b>24,869</b>	-	<b>24,869</b>
<b>Realized gain on investments</b>	<b>20,425</b>	-	<b>20,425</b>
<b>Unrealized gain on investments</b>	<b>136,510</b>	-	<b>136,510</b>
<b>Appropriation of endowment assets for expenditure</b>	<b>(87,425)</b>	-	<b>(87,425)</b>
<b>Endowment net assets at end of year</b>	<b><u>\$ 118,671</u></b>	<b><u>\$ 556,468</u></b>	<b><u>\$ 675,139</u></b>
 <u>For the year ended June 30, 2020:</u>			
Endowment net assets at beginning of year	\$ 12,799	\$ 556,468	\$ 569,267
Contributions	-	-	-
Interest and dividends	23,914	-	23,914
Unrealized loss on investments	(12,421)	-	(12,421)
Appropriation of endowment assets for expenditure	-	-	-
Endowment net assets at end of year	<u>\$ 24,292</u>	<u>\$ 556,468</u>	<u>\$ 580,760</u>

## Note 7 – Related Party Transactions

All of the Foundation's investments are in the Common Investment Fund of the RCAB (see Note 3).

As discussed in Note 1, the School is the sole beneficiary of the Foundation. The Foundation is related through common Board membership to the School.

At June 30, 2021, amounts due from the School totaled \$231,844 (\$202,143 was due from the School at June 30, 2020).

Additionally, during the year ended June 30, 2021, the School provided services to the Foundation in the amount of \$72,259 for time incurred by School personnel on behalf of the Foundation (\$73,492 during 2020), which has been recorded as contributed services (see Note 2).

## Note 8 – Financial Instruments and Concentrations of Credit Risk

The Foundation's financial instruments that potentially subject it to concentrations of credit risk consist of cash, investments and donor promises to give.

The Foundation maintains its cash accounts in a high-quality financial institution. The account is insured by the Federal Deposit Insurance Corporation. At times, the amounts on deposit may be in excess of insured limits. At June 30, 2021, there were no deposits in excess of FDIC insured limits based on bank balances.

## Note 8 – Financial Instruments and Concentrations of Credit Risk (Cont.)

The Foundation also has all of its restricted cash accounts, approximately \$6,000, on deposit with the RCAB at June 30, 2021. These funds are uninsured and pooled with other related organizations' funds in the RCAB's revolving loan fund.

The underlying investments of the Common Investment Fund consist solely of uninsured mutual funds administered by the RCAB, \$2,329,088 at June 30, 2021 (see Note 3).

## Note 9 – Liquidity and Availability of Resources

The Foundation's financial assets available for general expenditure within one year of the statement of financial position date are comprised of the following at June 30:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 33,998	\$ 2,645,252
Investments	2,329,088	1,940,318
Promises to give	441,112	884,848
Due from St. Mary's High School, Inc.	231,844	202,143
Total financial assets	<u>3,036,042</u>	<u>5,672,561</u>
Less amount of donor restricted net assets:		
Donor restricted endowment funds	(556,468)	(556,468)
Donor time or purpose restricted net assets	(2,018,250)	(4,991,164)
	<u>(2,574,718)</u>	<u>(5,547,632)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 461,324</u>	<u>\$ 124,929</u>

As a Foundation with the purpose of raising funds in the form of contributions to assist in supporting the School, the Foundation's only program expense is the distribution of contributed funds to the School. Management expects to receive sufficient support through contributed services and investment earnings over the next twelve months to cover the general operating expenses of the Foundation over that same period. The Foundation's general operating expenses approximated \$89,000 and \$86,000 for the years ended June 30, 2021 and 2020, respectively. The majority of these expenses were in the form of contributed services (Note 7).