

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
St. Columbkille School, Inc. d/b/a Saint Columbkille Partnership School

Report on the Financial Statements

We have audited the accompanying financial statements of St. Columbkille School, Inc. d/b/a Saint Columbkille Partnership School (the "School"), 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 from 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 St. Columbkille School, Inc. d/b/a Saint Columbkille Partnership School as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marcum LLP

Boston, Massachusetts
February 28, 2022

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
Assets		
Cash	\$ 1,897,975	\$ 1,719,653
Accounts receivable, net of allowance for doubtful accounts of \$21,900 in 2021 and \$15,950 in 2020	61,168	72,281
Unconditional promises to give, net	100,000	309,824
Other assets	9,901	9,600
Website development costs, net of accumulated amortization	3,233	6,367
Improvements and equipment, net of accumulated depreciation and amortization	<u>2,842,111</u>	<u>3,117,343</u>
Total Assets	<u>\$ 4,914,388</u>	<u>\$ 5,235,068</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 14,862	\$ 44,112
Accrued liabilities	308,658	303,399
Deferred revenue	201,296	126,383
Note payable - PPP Loan	--	611,400
Related party debt (Note 9):		
Operations	1,742,103	1,742,103
Capital improvements	<u>371,884</u>	<u>546,535</u>
Total Related Party Debt	<u>2,113,987</u>	<u>2,288,638</u>
Total Liabilities	<u>2,638,803</u>	<u>3,373,932</u>
Net Assets		
Without donor restrictions	2,140,279	1,426,684
With donor restrictions	<u>135,306</u>	<u>434,452</u>
Total Net Assets	<u>2,275,585</u>	<u>1,861,136</u>
Total Liabilities and Net Assets	<u>\$ 4,914,388</u>	<u>\$ 5,235,068</u>

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

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Other Support						
Net tuition revenue and fees	\$ 2,690,173	\$ --	\$ 2,690,173	\$ 2,864,479	\$ --	\$ 2,864,479
Co-curricular programs, net of co-curricular financial aid	25,357	--	25,357	75,493	--	75,493
Extended day programs, net of extended day financial aid	--	--	--	504,413	--	504,413
Scholarship contributions	379,846	--	379,846	316,780	37,442	354,222
Special events (net of expenses of \$15,079 and \$9,714, respectively)	137,921	--	137,921	115,256	--	115,256
Grants	91,267	9,750	101,017	135,275	375,000	510,275
Contributions	525,743	9,889	535,632	324,001	9,063	333,064
In-kind contribution	119,999	--	119,999	119,999	--	119,999
PPP loan forgiveness	611,400	--	611,400	--	--	--
Other income	78,814	--	78,814	42,792	--	42,792
Net assets released from restrictions	318,785	(318,785)	--	152,582	(152,582)	--
Total Operating Revenue and Other Support	<u>4,979,305</u>	<u>(299,146)</u>	<u>4,680,159</u>	<u>4,651,070</u>	<u>268,923</u>	<u>4,919,993</u>
Operating Expenses						
Program expense:						
Instructional	3,166,476	--	3,166,476	2,973,700	--	2,973,700
Extended day programs	37,027	--	37,027	410,455	--	410,455
Total program expense	<u>3,203,503</u>	<u>--</u>	<u>3,203,503</u>	<u>3,384,155</u>	<u>--</u>	<u>3,384,155</u>
Supporting activities:						
General and administrative	930,713	--	930,713	938,019	--	938,019
Fundraising	131,494	--	131,494	158,324	--	158,324
Total supporting activities expense	<u>1,062,207</u>	<u>--</u>	<u>1,062,207</u>	<u>1,096,343</u>	<u>--</u>	<u>1,096,343</u>
Total Operating Expenses	<u>4,265,710</u>	<u>--</u>	<u>4,265,710</u>	<u>4,480,498</u>	<u>--</u>	<u>4,480,498</u>
Changes in Net Assets	713,595	(299,146)	414,449	170,572	268,923	439,495
Net Assets, Beginning of Year	<u>1,426,684</u>	<u>434,452</u>	<u>1,861,136</u>	<u>1,256,112</u>	<u>165,529</u>	<u>1,421,641</u>
Net Assets, End of Year	<u>\$ 2,140,279</u>	<u>\$ 135,306</u>	<u>\$ 2,275,585</u>	<u>\$ 1,426,684</u>	<u>\$ 434,452</u>	<u>\$ 1,861,136</u>

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

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities		
Changes in net assets	\$ 414,449	\$ 439,495
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	363,912	362,957
Provision for doubtful accounts	--	10,111
Accretion of discount on unconditional promises to give	(176)	(176)
Donated equipment	(10,000)	--
PPP loan forgiveness	(611,400)	--
(Increase) decrease in:		
Accounts receivable	11,113	10,751
Unconditional promises to give, net	210,000	(160,716)
Other assets	(301)	(4,669)
Increase (decrease) in:		
Accounts payable	(29,250)	16,371
Accrued liabilities	5,259	8,266
Deferred revenue	74,913	(803)
Total adjustments	<u>14,070</u>	<u>242,092</u>
Net Cash Provided by Operating Activities	<u>428,519</u>	<u>681,587</u>
Cash Flows from Investing Activities		
Purchases of website development	--	(5,000)
Purchases of improvements and equipment	(75,546)	(237,697)
Net Cash Used in Investing Activities	<u>(75,546)</u>	<u>(242,697)</u>
Cash Flows from Financing Activities		
Proceeds from note payable - PPP Loan	--	611,400
Payments on related party debt	(174,651)	(99,499)
Net Cash (Used in) Provided by Financing Activities	<u>(174,651)</u>	<u>511,901</u>
Net Increase in Cash	178,322	950,791
Cash, Beginning of Year	<u>1,719,653</u>	<u>768,862</u>
Cash, End of Year	<u>\$ 1,897,975</u>	<u>\$ 1,719,653</u>
Supplemental Non-Cash Activities		
PPP loan forgiveness - financing activity	<u>\$ 611,400</u>	<u>\$ --</u>
Donated equipment - investing activity	<u>\$ 10,000</u>	<u>\$ --</u>

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

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 – ORGANIZATION

St. Columbkille School, Inc. d/b/a Saint Columbkille Partnership School (the “School”) is a pre-kindergarten through eighth grade Catholic School for boys and girls located in the Allston-Brighton neighborhood of Boston, Massachusetts. The School capitalizes on the resources of a unique partnership with the Archdiocese of Boston, Boston College and St. Columbkille Parish to offer a comprehensive education rooted in gospel teaching and committed to Catholic educational and religious traditions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the School are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires the application of the accrual basis of accounting.

FINANCIAL STATEMENT PRESENTATION

The School has presented its financial statements in accordance with U.S. GAAP for not-for-profit organizations. Under this guidance, the School is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as follows:

NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions represent those assets not subject to donor-imposed restrictions. Restricted gains and investment income and donor-restricted contributions whose restrictions are met in the same reporting period are also classified as net assets without donor restrictions.

NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions represent those assets that are subject to explicit or implicit donor-imposed stipulations that may or will be met whether by actions of the School and/or the passage of time. When the restriction expires, the net assets are reclassified to net assets without donor restrictions.

Some donor imposed restrictions represent those assets that are subject to explicit or implicit donor-imposed stipulations that they be maintained permanently by the School. Generally, the donors of these assets permit the School to use all or part of the income earned on the related investments for general or specific purposes.

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH

For purposes of the statements of cash flows, cash includes cash held in demand and savings accounts.

ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The School's practice is to establish an allowance for accounts that may ultimately prove to be uncollectible. The School estimates price concessions and the allowance for doubtful accounts for tuition receivable based on a historical evaluation of write-offs, aging of the respective balances, as well as other procedures, both qualitative and quantitative. Changes in the valuation allowance have not been significant to the School's financial statements during the years ended June 30, 2021 and 2020.

UNCONDITIONAL PROMISES TO GIVE, NET

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 future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed at an appropriate discount rate commensurate with the risks involved. Accretion of the discount is included in contributions in the statements of activities and changes in net assets.

IMPROVEMENTS AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION AND AMORTIZATION

Improvements and equipment are stated at cost at the date of acquisition or fair value at the date of donation, less accumulated depreciation and amortization. Depreciation and amortization is provided using the straight-line method over the estimated useful lives of the respective assets, ranging from 3 to 15 years. Purchases are determined to be capital expenditures based on the School's policy of capitalizing assets acquired at a cost (or, if donated, at fair value) exceeding \$3,000 and an economic life in excess of one year. Those items which are not determined to be capital expenditures are immediately charged to expense. Expenditures that significantly increase asset values or extend useful lives are capitalized. Upon retirement, sale or other disposition of improvements and equipment, the cost and accumulated depreciation and amortization are eliminated from the accounts, and gains or losses are included in the statements of activities and changes in net assets.

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

WEBSITE DEVELOPMENT COSTS, NET OF ACCUMULATED AMORTIZATION

Website development costs are stated at cost at the date acquired, less accumulated amortization. Amortization is provided using the straight-line method over the estimated useful life of the respective asset of 3 years.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets to be held and used by the School are reviewed for impairment when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

The fair value of the asset is measured using either available market prices or estimated undiscounted cash flows. There were no impairment charges taken during the years ended June 30, 2021 and 2020.

DEFERRED REVENUE

All amounts received prior to the commencement of the academic year, including enrollment deposits, are deferred to the applicable year and are recognized as revenue as services are performed.

CONTRIBUTIONS AND GRANTS

The School recognizes unconditional contributions and grants when received or unconditionally pledged. Unconditional contributions and grants received are recorded as support without donor restrictions or with donor restrictions, depending on the existence or absence of donor imposed restrictions. Unconditional contributions and grants which are restricted for use whose restrictions are met in the same reporting period are reflected as revenue without donor restrictions in the statements of activities and changes in net assets.

Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

**ST. COLUMBKILLE SCHOOL, INC.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SPECIAL EVENTS

The School recognizes special events revenue from reciprocal exchange transactions, primarily event sponsorships and registrations, at the point in time the event occurs. During the years ended June 30, 2021 and 2020, support received from special event efforts amounted to \$153,000 and \$124,970, respectively; for the same periods, the total cost of all special event activities amounted to \$15,079 and \$9,714, respectively.

IN-KIND CONTRIBUTION - DONATED EQUIPMENT AND SERVICES

Unconditional donated equipment is reflected as contributions at their fair values at the date of receipt. Support arising from contributed services to the School has been recognized in the accompanying financial statements and changes in net assets. The computation of the value of these services represents the difference between the amounts paid by the School and comparable amounts that would have been paid at market prices (See Note 15).

INCOME TAX STATUS

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The School, however, is subject to the tax on unrelated business income, if any such income exists. The School had no unrelated business income during the years ended June 30, 2021 and 2020. In addition, the School qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a).

The School recognizes and measures its unrecognized tax positions and assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change. Interest and penalties associated with unrecognized tax positions, if any, would be classified as interest expense and additional income taxes, respectively, in the statements of activities and changes in net assets. The School did not identify any uncertain tax positions at June 30, 2021 and 2020. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any periods pending or in progress.

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ADVERTISING

The School charges advertising costs to operations as incurred. Advertising expenses for the years ended June 30, 2021 and 2020 were \$0 and \$1,946, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the School's various programs and activities have been summarized on a functional basis (see Note 16). Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses allocated include depreciation, amortization, and occupancy expenses which are allocated based on an analysis of square footage occupied. Salaries and benefits are allocated based on an analysis time spent. Costs of activities are allocated based on direct identification.

RISK AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. The School is monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread, and its impact on operations, financial position, cash flows, tuition payments, and the industry in general, in addition to the impact on its employees. At this time COVID-19 has not changed the School's ability to operate during the school day but has restricted its ability to continue to offer other after school programs. Due to the rapid development and fluidity of this situation, the magnitude and duration of the pandemic and its impact on the School's operations and liquidity is uncertain. While there could ultimately be a material impact on operations and liquidity of the School, the impact is undeterminable at this time.

ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUBSEQUENT EVENTS

The School has evaluated subsequent events through February 28, 2022 the date these financial statements were available to be issued and has determined that no subsequent events have occurred requiring recognition or disclosure in the accompanying financial statements.

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE, NET

Pledges, net of discount consist of the following at June 30:

	2021	2020
Due in less than one year	\$ 100,000	\$ 150,000
Due in one year to three years	<u> --</u>	<u> 160,000</u>
	100,000	310,000
Less discount	<u> --</u>	<u> (176)</u>
	<u><u>\$ 100,000</u></u>	<u><u>\$ 309,824</u></u>

The School calculates discounts on long-term pledges using rates between .16% and 1.71%. No allowance for uncollectible pledges receivable was considered necessary at June 30, 2021 and 2020.

NOTE 4 – CONDITIONAL PROMISES TO GIVE

Conditional promises to give at June 30, 2021 and 2020 consist of \$80,000 and \$0, respectively, to be received in even payments over the next four years. Receipt of each payment is contingent upon conditions that the School must satisfy as of each payment date. Conditional promises to give are recognized as revenue to the School when the conditions are substantially met.

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 5 – WEBSITE DEVELOPMENT COSTS, NET OF ACCUMULATED AMORTIZATION

Website development costs, net of accumulated amortization consist of the following at June 30:

	2021	2020
Website design and development	\$ 21,050	\$ 21,050
Less accumulated amortization	(17,817)	(14,683)
	\$ 3,233	\$ 6,367

Amortization expense on website development costs for the years ended June 30, 2021 and 2020 was \$3,134 and \$2,300, respectively.

NOTE 6 - IMPROVEMENTS AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION AND AMORTIZATION

Improvements and equipment, net of accumulated depreciation and amortization consist of the following at June 30:

	2021	2020
Leasehold improvements	\$ 3,392,352	\$ 3,334,688
Site and land improvements	1,365,429	1,365,429
Furniture, fixtures and equipment	494,298	466,416
Playground equipment	104,569	104,569
	5,356,648	5,271,102
Less accumulated depreciation and amortization	(2,514,537)	(2,153,759)
	\$ 2,842,111	\$ 3,117,343

St. Columbkille Parish owns the building the School leases, and only the land improvements and building improvements are reflected on the financial statements of the School.

Depreciation and amortization expense on improvements and equipment for the years ended June 30, 2021 and 2020 was \$360,778 and \$360,657, respectively.

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30:

	2021	2020
Program expenses and scholarships	\$ 20,785	\$ 104,469
Restricted for time	100,000	310,000
Haiti medical program	5,601	5,601
Milk fund	8,920	14,382
	\$ 135,306	\$ 434,452

Net assets with donor restrictions were released by incurring expenses satisfying the following restricted purposes during the years ended June 30:

	2021	2020
Program expenses and scholarships	\$ 318,785	\$ 152,582

NOTE 8 – NOTE PAYABLE

On May 4, 2020, the School entered into a loan with Needham Bank as the lender in an aggregate principal amount of \$611,400 (“PPP Loan”) pursuant to the Paycheck Protection Program (“PPP”) under the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). The PPP Loan is evidenced by a promissory note (“Note”). Subject to the terms of the Note, the PPP Loan bears interest at a fixed rate of one percent (1%) per annum, with the first six months of interest deferred, has an initial term of two years, and is unsecured and guaranteed by the Small Business Administration. Effective May 23, 2021, the School received full forgiveness of the PPP Loan from Needham Bank for the aggregate principal amount of \$611,400, which has been included with operating revenue and other support on the statements of activities and changes in net assets.

**ST. COLUMBKILLE SCHOOL, INC.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 9 - RELATED PARTY DEBT

The School was provided financing for operations from Boston College (“Operations Promissory Note”) through related party debt of \$2,000,000. As of both June 30, 2021 and 2020 the outstanding balance of related party debt for operations totaled \$1,742,103. The debt does not bear interest and there is currently no repayment terms in place.

On August 1, 2018, the School entered into a promissory note with Boston College (“Capital Improvement Promissory Note”) for \$800,000 to fund the construction of capital repairs and replacements of the School’s facilities. Principal is due yearly with an annual payment of \$160,000 beginning on August 31, 2019. The Capital Improvement Promissory Note matures on August 31, 2023. As of June 30, 2021 and 2020, the outstanding balance of the Capital Improvement Promissory Note totaled \$371,884 and \$546,535, respectively. The Second Capital Improvement Promissory Note does not bear interest.

The School intends to repay the Capital Improvement Promissory Note as follows:

<u>Years Ending June 30:</u>	
2022	\$ 160,000
2023	160,000
2024	<u>51,884</u>
Total minimum payments required	<u>\$ 371,884</u>

**ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 10 – REVENUE FROM CONTRACTS

Revenue from contracts with students for tuition and fees is reported at the amount that reflects the consideration to which the School expects to be entitled in exchange for providing instruction and other services. These amounts are due from students and are net of scholarships and financial aid of \$756,768 and \$772,165 for the years ended June 30, 2021 and 2020.

The School recognizes revenue from student tuition during the year in which the related services are provided to students. 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.

Tuition and fee revenue are considered to be separate performance obligations. The School charges fees to students for various services. The School recognizes revenue from student fees at the point in time the service is provided.

PERFORMANCE OBLIGATION AND TRANSACTION PRICE ALLOCATED TO REMAINING PERFORMANCE OBLIGATION

Because all of its performance obligations relate to contracts with a duration of less than one year, the School has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to providing instruction to students. The performance obligations for these contracts are generally completed when the academic year is completed.

ST. COLUMBKILLE SCHOOL, INC.
D/B/A SAINT COLUMBKILLE PARTNERSHIP SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 10 – REVENUE FROM CONTRACTS (CONTINUED)

PERFORMANCE OBLIGATION AND TRANSACTION PRICE ALLOCATED TO REMAINING PERFORMANCE OBLIGATION (CONTINUED)

Changes in the deferred revenue balances for the year ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Deferred revenue, beginning of year	\$ 126,383	\$ 127,186
Revenue recognized that was included in deferred revenue at the beginning of year	(126,383)	(127,186)
Increase in deferred revenue due to cash received during the year	<u>201,296</u>	<u>126,383</u>
Deferred revenue, end of year	<u>\$ 201,296</u>	<u>\$ 126,383</u>

TRANSACTION PRICE AND RECOGNITION

The School determines the transaction price based on standard charges for goods and services provided, reduced by certain scholarships and financial aid in accordance with the School's policies. Scholarships and financial aid are given on the basis of financial need and/or achievement and are presented as a reduction of tuition and fees in the statements of activities and changes in net assets.

**ST. COLUMBKILLE SCHOOL, INC.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 10 – REVENUE FROM CONTRACTS (CONTINUED)

DISAGGREGATION OF REVENUE

The composition of net tuition revenue and fees for the year ended June 30, 2021 and 2020 is as follows:

	2021	2020
Tuition revenue	\$ 2,546,993	\$ 2,713,725
Fees	143,180	150,754
Net tuition revenue and fees	\$ 2,690,173	\$ 2,864,479

NOTE 11 – SCHOLARSHIP AND FINANCIAL AID

Scholarship and financial aid grants to students is as follows for the years ended June 30, 2021 and 2020:

	2021	2020
Gross tuition revenue and fees	\$ 3,446,941	\$ 3,636,644
Scholarships and financial aid	(756,768)	(772,165)
Net tuition revenue and fees	\$ 2,690,173	\$ 2,864,479

**ST. COLUMBKILLE SCHOOL, INC.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 12 - RELATED PARTY TRANSACTIONS

The School participates in various transactions with the Archdiocese of Boston, Boston College and the St. Columbkille Parish.

During the years ended June 30, 2021 and 2020, Boston College made contributions of \$174,651 and \$69,740, respectively, to the School.

During the years ended June 30, 2021 and 2020, the St. Columbkille Parish made contributions of \$0 and \$4,300, respectively, and other parishes in the Archdiocese of Boston made contributions of \$75,681 and \$60,673, respectively, to the School for scholarships.

NOTE 13 – BENEFICIAL INTEREST IN ENDOWMENT HELD BY OTHERS

Donors have established and funded an endowment which is administered and owned by Boston College. As of May 31, 2021 and 2020, the date of Boston College's fiscal year end, the endowment held by Boston College had a fair value of approximately \$731,000 and \$428,000, respectively. There were no cash contributions to the endowment held by Boston College during June 2021 and 2020, making the total endowment value as of June 30, 2021 and 2020, approximately \$731,000 and \$428,000. Under the terms of this endowment, the School has the irrevocable right to receive a portion of the income earned on the endowment assets either in perpetuity or for the life of the endowment as determined annually based on Boston College's approved spending policy. For the year ended June 30, 2021 and 2020, the endowment provided to the School income of \$21,497 and \$16,035, respectively. The School does not control the assets held by Boston College. The endowment funds are designated at the direction of the donor.

NOTE 14 - RETIREMENT PLAN

Employees of the School participate in the St. Columbkille School Retirement Plan (the "Plan"), which is a Non-ERISA 403(b) Defined Contribution Retirement Plan for Affiliated Church Organizations. The School's contribution to the Plan was \$70,274 and \$80,404 for the years ended June 30, 2021 and 2020, respectively.

NOTE 15 – LEASE COMMITMENT AND IN-KIND CONTRIBUTION

The School has a lease agreement with the Archdiocese of Boston which commenced on July 1, 2014 for the School's premises. The School is responsible for all operating costs of the leased premises for the life of the lease. The School is required to pay \$1 annually through the lease termination date of June 30, 2054. The fair value of the use of the premises under the lease has been estimated and recorded in the School's financial statements at the fair value of the use of the property. Total rent expense for the years ended June 30, 2021 and 2020 was \$120,000.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 16 – FUNCTIONAL EXPENSES

A summary of program, general and administrative, and fundraising expenses, by function and natural classification, for the year ended June 30, 2021, is as follows:

	Program Activities			Supporting Activities			Total Expenses
	Instructional	Extended day	Total	General and Administrative	Fundraising	Total	
		Programs	Programs			Supporting	
Salary and wages	\$ 1,707,001	\$ 27,098	\$ 1,734,099	\$ 642,832	\$ 87,400	\$ 730,232	\$ 2,464,331
Fringe benefits	399,798	1,875	401,673	123,292	21,375	144,667	546,340
Contract services	118,700	--	118,700	30,782	--	30,782	149,482
Utilities	87,219	880	88,099	4,405	232	4,637	92,736
Insurance	12,108	122	12,230	612	32	644	12,874
Rent	133,068	1,344	134,412	5,700	300	6,000	140,412
Repairs and maintenance	222,668	2,249	224,917	11,246	592	11,838	236,755
Depreciation and amortization	342,516	3,459	345,975	17,038	899	17,937	363,912
Instructional supplies	63,831	--	63,831	--	--	--	63,831
Student activities and athletics	17,700	--	17,700	--	--	--	17,700
Software and technology	33,807	--	33,807	2,742	7,167	9,909	43,716
Marketing and advertising	--	--	--	20,577	12,029	32,606	32,606
Advancement	--	--	--	--	16,016	16,016	16,016
Professional fees	--	--	--	38,529	--	38,529	38,529
Professional development	6,950	--	6,950	1,804	--	1,804	8,754
Office supplies	4,116	--	4,116	23,656	300	23,956	28,072
Equipment rental	4,629	--	4,629	4,398	231	4,629	9,258
Dues and subscriptions	2,235	--	2,235	1,875	--	1,875	4,110
Miscellaneous	10,130	--	10,130	1,225	--	1,225	11,355
Total expenses by function	<u>3,166,476</u>	<u>37,027</u>	<u>3,203,503</u>	<u>930,713</u>	<u>146,573</u>	<u>1,077,286</u>	<u>4,280,789</u>
Less expenses included with revenues on the statement of activities and changes in net assets:							
Special event expenses	--	--	--	--	(15,079)	(15,079)	(15,079)
Total expenses included in the expense section of the statement of activities and changes in net assets	<u>\$ 3,166,476</u>	<u>\$ 37,027</u>	<u>\$ 3,203,503</u>	<u>\$ 930,713</u>	<u>\$ 131,494</u>	<u>\$ 1,062,207</u>	<u>\$ 4,265,710</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 16 – FUNCTIONAL EXPENSES (CONTINUED)

A summary of program, general and administrative, and fundraising expenses, by function and natural classification, for the year ended June 30, 2020, is as follows:

	Program Activities			Supporting Activities			Total Expenses
	Instructional	Extended day Programs	Total Programs	General and Administrative	Fundraising	Total Supporting	
Salary and wages	\$ 1,667,942	\$ 259,667	\$ 1,927,609	\$ 695,215	\$ 97,160	\$ 792,375	\$ 2,719,984
Fringe benefits	458,820	19,865	478,685	81,866	36,031	117,897	596,582
Contract services	61,140	1,620	62,760	32,158	--	32,158	94,918
Bad debt	--	--	--	10,111	--	10,111	10,111
Utilities	64,118	11,315	75,433	3,772	199	3,971	79,404
Insurance	8,966	1,582	10,548	527	27	554	11,102
Rent	96,900	17,100	114,000	6,000	--	6,000	120,000
Repairs and maintenance	158,230	27,923	186,153	9,284	513	9,797	195,950
Depreciation and amortization	293,530	51,394	344,924	17,131	902	18,033	362,957
Instructional supplies	62,962	3,793	66,755	--	--	--	66,755
Student activities and athletics	37,316	13,977	51,293	--	--	--	51,293
Software and technology	30,178	1,709	31,887	4,099	6,048	10,147	42,034
Marketing and advertising	--	--	--	11,739	2,326	14,065	14,065
Advancement	--	--	--	--	24,832	24,832	24,832
Professional fees	--	--	--	38,273	--	38,273	38,273
Professional development	11,019	--	11,019	1,107	--	1,107	12,126
Office supplies	6,942	291	7,233	19,402	--	19,402	26,635
Equipment rental	4,653	219	4,872	4,872	--	4,872	9,744
Dues and subscriptions	4,639	--	4,639	1,889	--	1,889	6,528
Miscellaneous	6,345	--	6,345	574	--	574	6,919
Total expenses by function	<u>2,973,700</u>	<u>410,455</u>	<u>3,384,155</u>	<u>938,019</u>	<u>168,038</u>	<u>1,106,057</u>	<u>4,490,212</u>
Less expenses included with revenues on the statement of activities and changes in net assets:							
Special event expenses	--	--	--	--	(9,714)	(9,714)	(9,714)
Total expenses included in the expense section of the statement of activities and changes in net assets	<u>\$ 2,973,700</u>	<u>\$ 410,455</u>	<u>\$ 3,384,155</u>	<u>\$ 938,019</u>	<u>\$ 158,324</u>	<u>\$ 1,096,343</u>	<u>\$ 4,480,498</u>

**ST. COLUMBKILLE SCHOOL, INC.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 17 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the School’s financial assets as of the statement of financial position dates, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position dates.

	2021	2020
Financial assets at year end:		
Cash	\$ 1,897,975	\$ 1,719,653
Accounts receivable, net of allowance	61,168	72,281
Unconditional promises to give, net	100,000	309,824
Subtotal	2,059,143	2,101,758
Less: amounts restricted by contract or donor restrictions	(135,306)	(434,452)
	\$ 1,923,837	\$ 1,667,306

The School is substantially supported by amounts it receives through tuition revenue. In addition, the School receives donations that may require resources to be used in a particular manner or in a future period. Because of these restrictions, the School must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the School’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.