GT REILLY
& COMPANY
CPAs and Advisors

Audited Financial Statements

Archbishop Williams High School, Inc.

June 30, 2025

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GT Reilly & Company
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424 Adams Street, Milton, MA 02186-4358
T. 617.696.8900 / F. 617.698.1803
www.gtreilly.com

Independent Auditors' Report on Financial Statements

Board of Trustees
Archbishop Williams High School, Inc.

Opinion

We have audited the accompanying financial statements of Archbishop Williams High School, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, 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.

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, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Archbishop Williams High School, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Archbishop Williams High School, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Archbishop Williams High School, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Archbishop Williams High School, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

G. T. Reilly & Company

G.T. Reilly & Company

Milton, Massachusetts
October 8, 2025

Statements of Financial Position

June 30

	2025	2024
Assets (Note 6)		
CURRENT ASSETS		
Cash and cash equivalents	**$ 3,813,076**	$ 763,150
Cash designated by the board	**600,000**	600,000
Accounts receivable, less allowance for credit losses of $3,400 in 2025 and 2024	**24,049**	17,527
Promises to give within one year (Note 3)	**124,500**	94,500
Prepaid expenses and other assets	**113,027**	138,233
TOTAL CURRENT ASSETS	**4,674,652**	1,613,410
PROPERTY AND EQUIPMENT, NET (Notes 5 & 6)	**19,367,644**	19,655,738
LEASE RIGHT-OF-USE ASSET (Note 9)	**312,586**	324,970
OTHER ASSETS		
Promises to give, net of current portion and discount (Note 3)	**$ 206,000**	$ 100,000
Investments, at fair value (Notes 4 & 12)	**1,861,890**	1,733,593
Interest rate swap agreement, at fair value (Notes 6 & 12)	**25,308**	140,017
	2,093,198	1,973,610
	$ 26,448,080	$ 23,567,728
Liabilities and Net Assets		
CURRENT LIABILITIES		
Accounts payable	**$ 185,432**	$ 337,908
Accrued expenses	**1,544,492**	1,283,252
Deferred tuition revenue	**768,554**	897,838
Notes maturities, due within one year (Note 6)	**27,533**	26,116
Bond maturities, due within one year (Note 6)	**186,656**	178,282
TOTAL CURRENT LIABILITIES	**2,712,667**	2,723,396
LONG-TERM LIABILITIES		
Vendor equipment loan, due after one year (Note 6)	**-**	-
Notes payable, due after one year (Note 6)	**429,035**	457,213
Bond payable, due after one year (Note 6)	**4,726,214**	4,912,229
Lease obligation (Note 10)	**415,151**	401,893
TOTAL LONG-TERM LIABILITIES	**5,570,400**	5,771,335
TOTAL LIABILITIES	**8,283,067**	8,494,731
NET ASSETS		
Without donor restrictions:		
Undesignated	**13,989,381**	12,059,720
Board-designated	**600,000**	600,000
	14,589,381	12,659,720
With donor restrictions (Notes 7 & 8)	**3,575,632**	2,413,277
	18,165,013	15,072,997
	$ 26,448,080	$ 23,567,728

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

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT						
Tuition and fees	**$ 14,660,150**	**$ -**	**$ 14,660,150**	$ 13,098,727	$ -	$ 13,098,727
Less scholarships and financial aid	**(2,970,048)**	**-**	**(2,970,048)**	(2,567,345)	-	(2,567,345)
Tuition and fees, net	**11,690,102**	**-**	**11,690,102**	10,531,382	-	10,531,382
Gifts and donations of cash and other financial assets	**3,405,039**	**972,147**	**4,377,186**	860,343	660,332	1,520,675
Catholic Schools Foundation grant	**-**	**235,100**	**235,100**	-	185,800	185,800
Contributed value of facilities lease (Notes 2 and 9)	**1,080,000**	**-**	**1,080,000**	1,080,000	-	1,080,000
Contributed services	**10,833**	**-**	**10,833**	7,087	-	7,087
Auxiliary activities	**93,943**	**198,252**	**292,195**	114,018	173,346	287,364
Other program revenues	**26,301**	**-**	**26,301**	31,253	-	31,253
Net assets released from restrictions (Note 7)	**706,257**	**(706,257)**	**-**	676,334	(676,334)	-
Total Revenues and Support	**17,012,475**	**699,242**	**17,711,717**	13,300,417	343,144	13,643,561
OPERATING EXPENSES						
Program Services:						
Instructional	**9,259,206**	**-**	**9,259,206**	8,702,225	-	8,702,225
Athletics	**1,473,618**	**-**	**1,473,618**	1,376,311	-	1,376,311
Auxiliary and other programs	**926,809**	**-**	**926,809**	963,811	-	963,811
Total Program Services	**11,659,633**	**-**	**11,659,633**	11,042,347	-	11,042,347
Supporting Services:						
General and administrative	**2,214,863**	**-**	**2,214,863**	1,978,321	-	1,978,321
Development	**1,116,235**	**-**	**1,116,235**	766,042	-	766,042
Total Supporting Services	**3,331,098**	**-**	**3,331,098**	2,744,363	-	2,744,363
Total Expenses	**14,990,731**	**-**	**14,990,731**	13,786,710	-	13,786,710
CHANGE IN NET ASSETS - OPERATING ACTIVITIES	**2,021,744**	**699,242**	**2,720,986**	(486,293)	343,144	(143,149)
NON-OPERATING REVENUE, SUPPORT AND EXPENSES						
Contributions restricted for endowment	**-**	**350,000**	**350,000**	-	-	-
Loss on disposal of fixed assets	**(112,123)**	**-**	**(112,123)**	(97,555)	-	(97,555)
Dividend and interest income	**129,375**	**62,697**	**192,072**	83,074	54,468	137,542
Net unrealized gain on investments	**5,374**	**50,416**	**55,790**	13,591	127,615	141,206
Unrealized (loss) gain on interest rate swap agreement (Note 6)	**(114,709)**	**-**	**(114,709)**	85,301	-	85,301
CHANGE IN NET ASSETS FROM NON-OPERATING ACTIVITIES	**(92,083)**	**463,113**	**371,030**	84,411	182,083	266,494
CHANGE IN NET ASSETS	**1,929,661**	**1,162,355**	**3,092,016**	(401,882)	525,227	123,345
NET ASSETS AT BEGINNING OF YEAR	**12,659,720**	**2,413,277**	**15,072,997**	13,061,602	1,888,050	14,949,652
NET ASSETS AT END OF YEAR	**$ 14,589,381**	**$ 3,575,632**	**$ 18,165,013**	$ 12,659,720	$ 2,413,277	$ 15,072,997

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, 2025

	Program Services						
	Instructional	Athletics	Auxiliary & Other Activities	Total Program Services	General & Administrative	Development	2025 Total Expenses
Compensation	$ 5,084,964	$ 609,249	$ 213,038	$ 5,907,251	$ 1,304,005	$ 566,056	$ 7,777,312
Employee benefits	675,504	80,935	28,301	784,740	173,228	75,197	1,033,165
Payroll taxes	403,973	48,402	16,925	469,300	103,596	44,970	617,866
Retirement plan	81,569	9,773	3,416	94,758	20,917	9,080	124,755
Total Personnel Expenses	6,246,010	748,359	261,680	7,256,049	1,601,746	695,303	9,553,098
Professional services	12,883	-	-	12,883	75,928	132,404	221,215
Professional development	17,592	-	-	17,592	6,574	-	24,166
Academic programs	135,993	-	-	135,993	-	-	135,993
Admissions	-	-	-	-	140,114	-	140,114
Campus Ministry	-	-	43,012	43,012	-	-	43,012
Athletics	-	470,699	-	470,699	-	-	470,699
Student activities	530	-	360,848	361,378	-	-	361,378
Bank and credit card charges	-	-	-	-	45,424	3,997	49,421
Insurance	69,530	6,784	6,218	82,532	3,957	565	87,054
Office expense and supplies	157,212	5,224	4,789	167,225	86,565	2,003	255,793
Public relations and advertising	14,935	-	-	14,935	-	4,905	19,840
Conference and meetings	33,839	-		33,839	36,653	120	70,612
Repairs and maintenance	48,639	4,745	4,350	57,734	2,768	395	60,897
Utilities and telephone	256,059	24,981	22,900	303,940	14,572	2,082	320,594
Dues and subscriptions	54,539	-	-	54,539	26,128	1,635	82,302
School store and other auxiliary activities	-	-	27,921	27,921	-	-	27,921
College scholarships	25,735	-	-	25,735	-	-	25,735
Contracted facility services	188,303	18,371	16,840	223,514	10,717	1,531	235,762
Care of grounds	86,655	8,454	7,750	102,859	4,932	705	108,496
Postage	390	-	-	390	5,141	1,901	7,432
Printing and publications	1,850	-	-	1,850	-	31,468	33,318
Gala, golf and other fundraising expenses	-	-	-	-	-	213,557	213,557
Provision for credit losses (recoveries)	-	-	-	-	14,257	-	14,257
Rent expense (Notes 1 & 9)	883,078	86,154	78,974	1,048,206	50,256	7,179	1,105,641
Depreciation and amortization	783,328	76,422	70,054	929,804	44,580	6,369	980,753
Interest	240,110	23,425	21,473	285,008	13,665	1,952	300,625
Miscellaneous	1,996	-	-	1,996	30,886	8,164	41,046
Total Expenses	$ 9,259,206	$ 1,473,618	$ 926,809	$ 11,659,633	$ 2,214,863	$ 1,116,235	$ 14,990,731

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

Statement of Functional Expenses

For the Year Ended June 30, 2024

	Program Services						
	Instructional	Athletics	Auxiliary & Other Activities	Total Program Services	General & Administrative	Development	Total
Compensation	$ 4,892,273	$ 579,634	$ 260,252	$ 5,732,159	$ 1,191,335	$ 416,706	$ 7,340,200
Employee benefits	527,793	61,979	27,828	617,600	127,386	44,557	789,543
Payroll taxes	324,940	38,499	17,286	380,725	79,127	27,677	487,529
Retirement plan	71,481	8,469	3,803	83,753	17,406	6,088	107,247
Total Personnel Expenses	5,816,487	688,581	309,169	6,814,237	1,415,254	495,028	8,724,519
Professional services	-	-	-	-	49,581	11,882	61,463
Professional development	15,615	-	-	15,615	1,182	-	16,797
Academic programs	105,087	-	-	105,087	-	-	105,087
Admissions	-	-	-	-	134,748	-	134,748
Campus Ministry	-	-	64,522	64,522	-	-	64,522
Athletics	-	441,655	-	441,655	-	-	441,655
Student activities	827	-	338,797	339,624	-	-	339,624
Bank and credit card charges	-	-	-	-	44,830	-	44,830
Insurance	63,481	6,193	5,677	75,351	3,613	516	79,480
Office expense and supplies	117,512	5,787	5,304	128,603	68,615	4,194	201,412
Public relations and advertising	7,293	-	-	7,293	854	7,346	15,493
Conference and meetings	53,239	-		53,239	22,294	1,608.00	77,141
Repairs and maintenance	65,902	6,430	5,894	78,226	3,751	536	82,513
Utilities and telephone	211,856	20,669	18,946	251,471	12,057	1,722	265,250
Dues and subscriptions	85,712	-	-	85,712	37,831	3,821	127,364
School store and other auxiliary activities	-	-	25,756	25,756	-	-	25,756
College scholarships	27,975	-	-	27,975	-	-	27,975
Contracted facility services	147,746	14,414	13,213	175,373	8,408	1,201	184,982
Care of grounds	71,763	7,001	6,418	85,182	4,084	583	89,849
Postage	533	-	-	533	4,582	5,187	10,302
Printing and publications	3,028	-	-	3,028	781	55,786	59,595
Gala, golf and other fundraising expenses	-	-	-	-	-	143,425	143,425
Bad debt expense (recovery)	-	-	-	-	(8,376)	-	(8,376)
Rent expense (Notes 2 and 9)	883,078	86,154	78,974	1,048,206	50,256	7,179	1,105,641
Depreciation and amortization	765,680	74,700	68,475	908,855	43,575	6,225	958,655
Interest	253,450	24,727	22,666	300,843	14,424	2,061	317,328
Miscellaneous	5,961	-	-	5,961	65,977	17,742	89,680
Total Expenses	$ 8,702,225	$1,376,311	$ 963,811	$ 11,042,347	$ 1,978,321	$ 766,042	$ 13,786,710

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

Statements of Cash Flows

For the Year Ended June 30

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ 3,092,016**	$ 123,345
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	**980,753**	958,655
Amortization of deferred financing costs	**2,841**	2,841
Amortization of right-of-use asset	**12,384**	12,806
Loss on disposal of fixed assets	**112,123**	97,555
Net unrealized gain on investments	**(55,790)**	(141,206)
Unrealized loss (gain) on interest rate swap agreement	**114,709**	(85,301)
Contributions restricted for endowment	**(350,000)**	-
Changes in operating assets and liabilities:		
Accounts receivable, net	**(6,522)**	25,919
Promises to give, net	**(136,000)**	(57,713)
Other assets	**25,206**	11,793
Accounts payable	**(152,476)**	(54,127)
Accrued expenses	**261,240**	208,175
Deferred tuition	**(129,284)**	209,455
Lease obligation	**13,258**	12,834
NET CASH PROVIDED BY OPERATING ACTIVITIES	**3,784,458**	1,325,031
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends reinvested, net	**(72,507)**	(60,235)
Additions to property and equipment	**(804,781)**	(1,278,583)
NET CASH APPLIED TO INVESTING ACTIVITIES	**(877,288)**	(1,338,818)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment	**350,000**	-
Payments on vendor equipment loans	**-**	(97,486)
Payments on notes payable	**(26,761)**	(66,321)
Payments on bond payable	**(180,483)**	(186,836)
NET CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES	**142,756**	(350,643)
NET INCREASE (DECREASE) IN CASH AND BOARD-DESIGNATED CASH	**3,049,926**	(364,430)
CASH AND BOARD-DESIGNATED CASH:		
AT BEGINNING OF YEAR	**1,363,150**	1,727,580
AT END OF YEAR	**$ 4,413,076**	$ 1,363,150
Supplemental Cash Flow Information		
Cash paid during the year for interest	**$ 300,625**	$ 317,328

Notes to Financial Statements

June 30, 2025

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

Basis of Accounting and Financial Statement Presentation – The accompanying financial statements of the School are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as they apply to not-for-profit organizations. The School 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 discussed below.

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 amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue, support and expenses. Actual results could differ from those estimates. Estimates are involved in the process of allocating certain expenses to program services and supporting functions.

Net Assets Without Donor Restrictions – 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, the board has designated net assets for future replacement, improvement or additions to property and equipment.

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 Notes 7 and 8 regarding restrictions on net assets.

Note 2 – Significant Accounting Policies (Cont.)

Contributions – Nonreciprocal transactions where the School receives cash, other assets or resources are treated as contributions for accounting purposes if the grantor or donor does not receive a benefit of commensurate value in return. If the resource provider receives something or a benefit of commensurate value in return for the resources provided, the transaction, or part of it, is recognized as an exchange transaction. 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 does not have any conditional grants or contributions at June 30, 2025 or 2024.

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 contributed support in accordance with donor-imposed restrictions, if any, on the contributions. Unless otherwise stated by the donor, promises to give to be paid over a period of years are considered to be “time restricted” to the period in which the payments are pledged to be made. 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 that is 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 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 of recorded promises as one was not considered necessary by management.

Contributed Facilities, Services and Other Nonfinancial Assets – As further discussed below, “Accounting for Leases”, the School reports the estimated value of below-market lease terms for its facilities as support with an equivalent amount recorded as rent expense (see Note 9).

Additionally, contributed services are recognized as both support and expense at their estimated fair values if they create or enhance nonfinancial assets or if they require specialized skills that would need to be purchased if they were not donated. For the years ended June 30, 2025 and 2024, the School has recorded as support approximately $10,800 and $8,000, respectively, of contributed architectural services provided to the School pro bono. The services were associated with capital projects and, as a result, the value of the services was capitalized as construction costs that are depreciated over the estimated useful life of the project. Other contributed nonfinancial assets such as property and equipment, commonly referred to as “gifts-in-kind”, are also recorded and reported as contributed support. In addition, the School received certain items to be sold at auction in connection with its annual golf tournament. Contributed auction items are valued at the gross auction price received and included with gifts and donations in the School’s statement of activities. The School did not receive any other contributed nonfinancial assets during the years ended June 30, 2025 or 2024.

Note 2 – Significant Accounting Policies (Cont.)

Accounting for Credit Losses on Financial Instruments – In estimating credit loss allowances on certain financial instruments, the School applies the "current expected credit loss" model ("CECL"), which requires that an estimate be recorded of expected credit losses over the life of a financial asset or a financial asset group, and it requires consideration of a broad range of information to determine credit loss estimates based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of a reported financial asset amount. The allowance for credit losses under the CECL model applies to certain financial assets with contractual rights to receive cash that are subject to potential credit losses and that are measured at cost or amortized cost. The School's financial instruments that are subject to the CECL accounting principles consist solely of any trade accounts receivable related to revenues earned from tuition and fee billings.

Accounts Receivable and Allowance for Credit Losses – Accounts receivable for revenues earned under student tuition contracts are required to be stated net of an allowance for credit losses, unless the expectation of nonpayment is zero or insignificant. Any such allowance for credit losses would be reported on the face of the School's statement of financial position. The allowance is established via a provision for estimated credit losses charged to operations. In determining an estimate of the School's expected credit losses, management evaluates the School's historical credit loss experience, information related to its customers' creditworthiness, changes in its credit policies, and the current and forecasted direction of the economic and business environment of the School and its students. Historical loss experience, the amount of time an account may be overdue, and current information with regard to significant account balances are evaluated on an individual basis.

The School's policy is to regularly review accounts receivable balances, when applicable, and write off account balances or portions thereof against the allowance, if any, or as a charge to operations when management believes that the collectability of a specific account or amount is unlikely. Likewise, subsequent recoveries of accounts previously written off would be credited to the allowance or to operations.

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. Restricted and board-designated cash and equivalents are included in the total of cash and cash equivalents in the statements of cash flows.

Fair Value Measurements – Fair value measurement standards apply to assets and liabilities that are measured at fair value on a recurring basis, and to determine any fair value disclosures. The standards apply 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, 6 and 12).

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.

Note 2 – Significant Accounting Policies (Cont.)

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 a bond payable (see Note 6) were deferred and are being amortized over the life of the bond, 30 years. Amortization expense for each of the years ended June 30, 2025 and 2024 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.

Accounting for Leases - The School records a "lease right-of-use asset" and a "lease obligation" for substantially all lease agreements where it is the lessee, with the exception of short-term leases (terms of 12 months or less), unless the agreement includes an option to acquire the leased assets or extend the lease option which the School is reasonably certain to exercise. Leases are classified as either finance leases or operating leases, with classification affecting the pattern of expense recognition in the statement of income. Agreements that do not meet the criteria of a finance lease are classified as operating leases. Currently, the School does not have any lease agreements that meet the criteria of a finance lease.

For leases classified as operating leases the School:

- recognizes a "lease right-of-use asset" in its statement of financial position, representing its right to use the underlying asset, and a "lease obligation" representing the present value of its obligation to make future lease payments
- recognizes lease expense by allocating the total of all required lease payments plus initial direct costs and less the amount of any lease incentives (in total, the right-of-use asset") over the lease term on a straight-line basis, including fixed payments for any executory costs such as real estate taxes and operating expenses of the lessor
- recognizes variable executory and other costs, if any, as lease expense in the period incurred

See Note 9 on Lease Commitments.

Revenue Recognition – The School's revenue from contracts with student families is recognized when control of a good or service is considered transferred to a student, and in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods and services. Revenues collected in advance of the year to which it relates are reported as liabilities, deferred revenues.

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 school year. The School's tuition and fees revenues presented in the statement of activities and changes in net assets reflect the School's normal tuition rates for all students reduced by the amounts of scholarships and financial aid given on the basis of financial need and/or achievement. The School's contract assets generally consist solely of accounts receivable for tuition. 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' and other program revenues (approximately $326,000 in fiscal 2025 and $319,000 in 2024) include 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.

Note 2 – Significant Accounting Policies (Cont.)

A summary of accounts receivable and deferred tuition revenues as of the end of the last 3 fiscal years follows:

	2025	2024	2023
Accounts receivable	**$ 24,049**	$ 17,527	$ 43,446
Deferred tuition revenues	**$ 768,554**	$ 897,838	$ 688,383

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 6).

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 or supporting functions to which they relate. Other expenses require allocation to programs and/or supporting functions, which is made on a reasonable basis that is consistently applied. The expenses that are generally allocated include certain salaries and wages, payroll taxes and benefits, which are allocated on the basis of actual time or estimated efforts, and occupancy related costs, which are allocated based on usage and 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, 2025 through October 8, 2025, 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:

	2025	2024
Scholarships	**$ 85,500**	$ 21,500
Athletic field renovation	**25,000**	35,000
Comprehensive campaign, endowment	**100,000**	-
Time restricted	**139,000**	138,000
	349,500	194,500
Less present value discount	**(19,000)**	-
	$ 330,500	$ 194,500

	2025	2024
Amounts due in:		
Less than one year	**$ 124,500**	$ 94,500
One to five years	**206,000**	100,000
	$ 330,500	$ 194,500

Note 4 – Investments

Investments consist of the following at June 30:

	2025		2024	
	Cost	**Fair Value**	Cost	Fair Value
Common Investment Fund	**$ 1,365,340**	**$ 1,819,454**	$ 1,294,999	$ 1,693,323
Certificates of Deposit	**42,436**	**42,436**	40,270	40,270
	$ 1,407,776	**$ 1,861,890**	$ 1,335,269	$ 1,733,593

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, 2025 and 2024 relates to its net assets with donor restrictions.

The Common Investment Fund invests nearly all of its funds in the RCAB Collective Investment Partner-ship (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, 2024 (the most recently issued audited financial statements of the Partnership) was: 36% domestic common stocks, 20% fixed-income securities, 27% private investments and 17% 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 re-invested on a quarterly basis.

See Note 12 on Fair Value Measurements.

Note 5 – Property and Equipment

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

	2025	2024
Land, building and improvements	**$ 24,012,142**	$ 23,480,027
Furniture, fixtures and equipment	**1,118,493**	1,006,178
Vehicles	**134,365**	134,365
	25,265,000	24,620,570
Accumulated depreciation	**(5,897,356)**	(4,964,832)
	$ 19,367,644	$ 19,655,738

Note 6 – Financing Arrangements

Revolving Lines of Credit –In February of 2022, the School entered into a $1,200,000 line of credit agreement with Webster Bank, National Association, maturing in February of 2026. Interest is charged at the interest rate determined on the bond payable referenced below. There were no outstanding borrowings under the line of credit agreement at June 30, 2025 and 2024.

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 fund the renovation of the School's HVAC system.

Note 6 – Financing Arrangements (Cont.)

In April of 2023, the bond agreement was amended, primarily to replace the variable interest rate, which was based on LIBOR. The bond is currently payable in monthly principal and interest installments of approximately $33,370, based on a variable interest rate that is the applicable margin (200 basis points) plus the greater of three alternate base rates: (1) the prime rate (2) the federal funds effective rate plus .5% or (3) the term Secured Overnight Financing Rate (SOFR) for a one-month tenor plus 1%. The bond matures on September 1, 2043.

At June 30, 2025 and 2024, $4,961,874 and $5,142,356, respectively, was outstanding on the bond. The effective interest rate at June 30, 2025 and 2024 was 5.00% and 5.79%, respectively.

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 Carrying Amount
2026	$ 189,497	$ (2,841)	$ 186,656
2027	197,919	(2,841)	195,078
2028	205,146	(2,841)	202,305
2029	216,454	(2,841)	213,613
2030	225,991	(2,841)	223,150
Thereafter	3,926,867	(34,799)	3,892,068
	$ 4,961,874	$ (49,004)	$ 4,912,870

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 9), 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.

Under the original agreement, the effect of the swap was to limit the interest rate exposure on the debt to a fixed rate of 2.08%, versus a variable rate formula based on the one-month LIBOR rate, for a period of 10 years ending on October 1, 2023. In conjunction with the refinancing of the bond, the interest rate swap agreement was also amended to reflect a fixed rate of 2.69% versus a variable rate formula based on the 1 month USD-SOFR CME term rate, for a period of ten years ending on May 1, 2033.

In accordance with the swap agreement, the interest expense is calculated based upon the variable rate and the fixed rate. If interest expense as calculated is greater based on the variable 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 year ended June 30, 2025, approximately $54,000 was recorded as a decrease to interest expense as a result of this agreement (approximately $80,000 during the year ended June 30, 2024).

Note 6 – Financing Arrangements (Cont.)

Depending on the fluctuations in the variable 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, 2025, the fair value of the agreement was estimated to be an asset of $25,000 ($140,000 asset at June 30, 2024), 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 loss of approximately $115,000 in 2025, which is recorded in the statement of activities for the year ended June 30, 2025 (an unrealized gain of approximately $85,000 was recorded for the year ended June 30, 2024).

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 credit-worthiness. The fair value of the interest rate swap agreement was determined by the financial institution. (See Note 12)

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, whereby up to $600,000 could be drawn within a period of 18 months. Under the agreement, the note began amortizing in March of 2019 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 note bears interest at 5.10% and 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, 2025 and 2024, $456,568 and $483,329 respectively is out-standing under this agreement.

Annual principal maturities on the above notes, by year, are as follows:

Fiscal Year Ending June 30	Principal Maturities
2026	$ 27,533
2027	28,970
2028	400,065
	$ 456,568

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.

Note 7 – Classification of Net Assets

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

	2025	2024
Temporary in nature	**$ 2,618,941**	$ 1,806,586
Perpetual in nature	**956,691**	606,691
	$ 3,575,632	$ 2,413,277

Note 7 – 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:

	2025	2024
Scholarships and financial aid	**$ 1,426,512**	$ 789,461
Accumulated endowment income for expenditure (Note 8)	**903,492**	799,615
Auxiliary activities	**143,937**	44,510
Ted Healy '86 Sports Complex	**25,000**	35,000
Time restricted	**120,000**	138,000
	$ 2,618,941	$ 1,806,586

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

	2025	2024
Scholarship Funds	**$ 79,630**	$ 79,630
Financial aid	**527,061**	527,061
Comprehensive campaign, endowment (Note 14)	**350,000**	-
	$ 956,691	$ 606,691

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

	2025	2024
Scholarships and financial aid	**$ 562,430**	$ 441,250
Auxiliary activities	**98,827**	162,297
Time restricted	**35,000**	10,287
Ted Healy '86 Sports Complex	**10,000**	62,500
	$ 706,257	$ 676,334

Note 8 – 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 is available for expenditure in a manner consistent with donor intentions and the standard of prudence prescribed by UPMIFA.

Note 8 – 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, 2025 and 2024.

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, investment returns are achieved through capital appreciation (realized and unrealized) and dividend income. See Notes 4 and 12 for more details on the School's investments and how they are valued.

Endowment Net Asset Summary - Endowment net assets by category are as follows:

	Original Donor-Restricted Gift	Accumulated Income	Total
For the year ended June 30, 2025:			
Scholarship Funds	**$ 79,630**	**$ 57,318**	**$ 136,948**
Financial aid	**527,061**	**846,174**	**1,373,235**
Comprehensive campaign, endowment (Note 14)	**350,000**	**-**	**350,000**
	$ 956,691	**$ 903,492**	**$ 1,860,183**
For the year ended June 30, 2024:			
Scholarship funds	$ 79,630	$ 47,884	$ 127,514
Financial aid	527,061	751,731	1,278,792
	$ 606,691	$ 799,615	$ 1,406,306

Changes in endowment net assets are as follows:

	With Donor Restriction		
	Permanent	Temporary	Total
For the year ended June 30, 2025:			
Endowment fund net assets at beginning of year	**$ 606,691**	**$ 799,615**	**$ 1,406,306**
Contributions received	**350,000**	**-**	**350,000**
Interest and dividends	**-**	**57,569**	**57,569**
Realized and unrealized net gains on investments	**-**	**46,308**	**46,308**
Appropriation of endowment assets for for expenditure	**-**	**-**	**-**
Endowment net assets at end of year	**$ 956,691**	**$ 903,492**	**$ 1,860,183**
For the year ended June 30, 2024:			
Endowment fund net assets at beginning of year	$ 606,691	$ 632,400	1,239,091
Interest and dividends	-	50,012	50,012
Realized and unrealized net losses on investments	-	117,203	117,203
Appropriation of endowment assets for expenditure	-	-	-
Endowment net assets at end of year	$ 606,691	$ 799,615	$ 1,406,306

Note 9 – Related Party Lease Agreement and Other Transactions

Long-Term Lease Agreement – Effective July 1, 2010, the School signed a 50-year lease agreement with the Roman Catholic Archdiocese of Boston (RCAB) for the main school building located at 80 Independence Avenue in Braintree. The lease requires annual payments of one dollar for the first thirty years. In years 31 through 40 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 the 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 immediately preceding 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.

The following is a summary of the recorded lease right-of-use asset at June 30:

	2025	2024
Operating lease right-of-use asset	**$ 364,606**	$ 364,606
Less accumulated amortization	**(52,020)**	(39,636)
Operating right-of-use asset, net	**$ 312,586**	$ 324,970

The future minimum payments required under the recorded operating lease agreement are as follows:

Fiscal Year Ending June 30	**2025**	2024
2025-2040	**$ -**	$ -
Later years	**1,000,000**	1,000,000
Total future gross lease payments	**1,000,000**	1,000,000
Less unamortized discount	**(584,849)**	(598,107)
Recorded present value of lease obligation	**$ 415,151**	$ 401,893

The discount rate used to determine the present value of the lease obligation was the School's incremental borrowing rate at the time the lease obligation was recorded, 3.25%.

The School obtained an independent broker's opinion of the market lease rate on the property for the purpose of estimating the fair market rental value under the lease agreement. As a result, the School recognized contributed support of $1,080,000 in both fiscal year 2025 and 2024 via corresponding charges to rent expense. Rent expense related to the lease with the RCAB consists of the following:

	2025	2024
Lease expense	**$ 25,641**	$ 25,641
Contributed value of below-market lease terms	**1,080,000**	1,080,000
	$ 1,105,641	$ 1,105,641

Insurance – During the years ended June 30, 2025 and 2024, the School was charged approximately $1,074,000 and $822,000, respectively, for health, life, disability, workers' compensation, director and officer and property insurance administered by the RCAB.

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

Note 10 – 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 3% of eligible participant compensation, or approximately $125,000 and $107,000 for the years ended June 30, 2025 and 2024, respectively.

Nonqualified Retirement Plan – The School has a nonqualified retirement 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. The accrued liability associated with this retirement plan is approximately $15,000 at both June 30, 2025 and 2024.

Note 11 – 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 and financing debt. 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, 2025, there was approximately $485,000 of deposits in excess of FDIC insured limits based on bank balances; however, these deposits are 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 – During the year ended June 30, 2025 one individual made an unrestricted donation of approximately $2,500,000 to the School, which represents approximately 53% of the School's total gifts and donations for the year. There was no significant concentration of support during the year ended June 30, 2024.

At June 30, 2025, two promises to give to the School in the amounts of $200,000 and $100,000 represent approximately 61% and 30%, respectively, of the net recorded pledges at June 30, 2025. (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 $1,861,890 at June 30, 2025.

Financing Debt – At June 30, 2025, the School has recorded obligations of almost $5.4 million under a collateralized bond and a note agreement payable to a local financial institution (see Note 6). This amount approximates 64% of the School's total liabilities, and it is equivalent to 20% of the School's total assets.

Note 12 – 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 12 – 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 and liabilities 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, 2025				
Assets:				
Common Investment Fund	**$ -**	**$ 1,819,454**	**$ -**	**$ 1,819,454**
Certificates of Deposit	**42,436**	**-**	**-**	**42,436**
Interest rate swap agreement	**-**	**25,308**	**-**	**25,308**
Total Assets	**$ 42,436**	**$ 1,844,762**	**$ -**	**$ 1,887,198**
June 30, 2024				
Assets:				
Common Investment Fund	$ -	$ 1,693,323	$ -	$ 1,693,323
Certificates of Deposit	40,270	-	-	40,270
Interest rate swap agreement	-	140,017	-	140,017
Total Assets	$ 40,270	$ 1,833,340	$ -	$ 1,873,610

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. See Note 4.

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

Note 13 – Liquidity and Availability of Resources

The School's financial assets available within one year of June 30, 2025 for general expenditures are as follows:

		2025	2024
Financial Assets:			
Cash and cash equivalents		**$ 3,813,076**	$ 763,150
Accounts receivable, net		**24,049**	17,527
Promises to give, net		**330,500**	194,500
Investments		**1,861,890**	1,733,593
		6,029,515	2,708,770
Less net asset amounts restricted by donors:			
Donor restricted endowment funds		**(956,691)**	(606,691)
Donor purpose restricted or time restricted beyond one year		**(2,494,441)**	(1,712,086)
		(3,451,132)	(2,318,777)
Financial assets available for general expenditure within one year		**$ 2,578,383**	$ 389,993

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 and support 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 $1,200,000 available for use, if necessary (see Note 6). 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 14 – Comprehensive Campaign

During fiscal year 2025, the School began the process of establishing a campaign to provide for long-term funding for the School, which is expected to be launched during fiscal year 2026. The $18.5M campaign will raise funds for an addition and upgrading to the main School building, increasing the endowment and increasing the unrestricted annual fund. During fiscal year 2025, the School has received campaign contributions totaling approximately $2,925,000.