



Catholic Education of North Georgia, Inc.

FINANCIAL STATEMENTS

June 30, 2021 and 2020



	Page
REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	5
Statements of Functional Expenses	9
Statements of Cash Flows	11
Notes to Financial Statements	13
Accompanying Information	
Independent Auditors' Report on Accompanying Information	35
Combining Statement of Financial Position.....	36
Combining Statement of Activities	37
Investments at Fair Value	38
Changes in Designated Investment Fund Balances and Changes in Endowment Fund Balances	39
Property and Equipment.....	40



REPORT





Carr, Riggs & Ingram, LLC
4004 Summit Boulevard NE
Suite 800
Atlanta, GA 30319

770.394.8000
770.451.2873 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Catholic Education of North Georgia, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Catholic Education of North Georgia, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Education of North Georgia, Inc. (CENGI) 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.

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 CENGI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CENGI'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 CENGI'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 CENGI's ability to continue as a going concern for a reasonable period of time.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
January 12, 2022



FINANCIAL STATEMENTS



Catholic Education of North Georgia, Inc.
Statements of Financial Position

June 30, 2021

	Without donor restrictions	With donor restrictions	Total
Assets			
Cash and cash equivalents	\$ 21,966,399	\$ -	\$ 21,966,399
Funds on deposit with AoA Deposit and Loan Fund Trust	1,077,793	-	1,077,793
Accounts receivable, net	232,535	-	232,535
Accounts receivable -Roman Catholic Archdiocese of Atlanta, Inc.	107,000	-	107,000
Promises to give, net	3,448,418	-	3,448,418
Inventory	594,023	-	594,023
Investments at fair value	18,543,061	53,398,529	71,941,590
Beneficial interest in assets held by foundation	-	12,480,152	12,480,152
Property and equipment, net	66,725,000	-	66,725,000
Other assets	942,487	-	942,487
Total assets	\$ 113,636,716	\$ 65,878,681	\$ 179,515,397
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 4,323,063	\$ -	\$ 4,323,063
Accounts payable - related parties	408,703	-	408,703
Contract liabilities	8,348,065	-	8,348,065
Paycheck Protection Program Loans	643,300	-	643,300
Agency funds	396,553	-	396,553
Total liabilities	14,119,684	-	14,119,684
Net assets			
Without donor restrictions			
Undesignated	95,763,589	-	95,763,589
Designated investment funds	3,753,443	-	3,753,443
With donor restrictions			
Purpose restrictions	-	32,087,076	32,087,076
Perpetual in nature	-	33,791,605	33,791,605
Total net assets	99,517,032	65,878,681	165,395,713
Total liabilities and net assets	\$ 113,636,716	\$ 65,878,681	\$ 179,515,397

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

**Catholic Education of North Georgia, Inc.
Statements of Financial Position (Continued)**

June 30, 2020

	Without donor restrictions	With donor restrictions	Total
Assets			
Cash and cash equivalents	\$ 23,897,366	\$ -	\$ 23,897,366
Funds on deposit with AoA Deposit and Loan Fund Trust	1,013,793	18,000,000	\$ 19,013,793
Accounts receivable, net	375,992	-	375,992
Accounts receivable -Roman Catholic Archdiocese of Atlanta, Inc.	289,923	-	289,923
Promises to give, net	2,559,284	-	2,559,284
Inventory	662,542	-	662,542
Investments at fair value	22,596,451	46,835,913	69,432,364
Beneficial interest in assets held by foundation	-	6,753,555	6,753,555
Property and equipment	66,958,649	-	66,958,649
Other assets	736,577	-	736,577
Total assets	\$ 119,090,577	\$ 71,589,468	\$ 190,680,045
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 3,881,715	\$ -	\$ 3,881,715
Accounts payable - related parties	242,562	-	242,562
Contract liabilities	7,844,515	-	7,844,515
Bonds payable, less unamortized deferred bond costs	29,355,693	-	29,355,693
Interest rate swap liability	1,704,702	-	1,704,702
Paycheck Protection Program Loans	5,826,541	-	5,826,541
Agency funds	305,617	-	305,617
Total liabilities	49,161,345	-	49,161,345
Net assets			
Without donor restrictions			
Undesignated	66,798,023	-	66,798,023
Designated investment funds	3,131,209	-	3,131,209
With donor restrictions			
Purpose restrictions	-	40,599,050	40,599,050
Perpetual in nature	-	30,990,418	30,990,418
Total net assets	69,929,232	71,589,468	141,518,700
Total liabilities and net assets	\$ 119,090,577	\$ 71,589,468	\$ 190,680,045

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

Catholic Education of North Georgia, Inc.
Statements of Activities

For the year ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
Revenue			
Tuition, net of discounts	\$ 41,815,070	\$ -	\$ 41,815,070
Tuition subsidies	1,232,500	-	1,232,500
Enrollment and application fees	1,111,711	-	1,111,711
Bookstore	954,231	-	954,231
Student activities	866,800	-	866,800
Financial aid and scholarships	(3,789,983)	-	(3,789,983)
Total revenue from student tuition, fees and other income	42,190,329	-	42,190,329
Contributions and support	4,865,913	3,539,860	8,405,773
Investment income	(86,517)	490,335	403,818
Other income	1,869,383	-	1,869,383
Net assets released from restrictions	19,918,187	(19,918,187)	-
Total revenue	68,757,295	(15,887,992)	52,869,303
Expenses			
<i>Program services</i>			
Instructional expenses	25,271,789	-	25,271,789
Student services	13,361,998	-	13,361,998
Operations	4,857,220	-	4,857,220
<i>Support services</i>			
General and administrative	5,167,955	-	5,167,955
Development and fundraising	1,664,043	-	1,664,043
Total expenses	50,323,005	-	50,323,005
Change in net assets before other additions (reductions)	18,434,290	(15,887,992)	2,546,298

(Continued)

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

**Catholic Education of North Georgia, Inc.
Statements of Activities (Continued)**

For the year ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
Other additions (reductions)			
Realized and unrealized gain on investments	5,058,777	8,123,704	13,182,481
Change in value of beneficial interest	-	1,943,101	1,943,101
Loss on disposal of assets	(7,110)	-	(7,110)
Gain on interest rate swap agreements	385,702	-	385,702
Forgiveness of Paycheck Protection Program loan	5,826,541	-	5,826,541
Total other additions	11,263,910	10,066,805	21,330,715
Change in net assets	29,698,200	(5,821,187)	23,877,013
Transfer of net assets	(110,400)	110,400	-
Net assets at beginning of year	69,929,232	71,589,468	141,518,700
Net assets at end of year	\$ 99,517,032	\$ 65,878,681	\$ 165,395,713

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

Catholic Education of North Georgia, Inc.
Statements of Activities (Continued)

For the year ended June 30, 2020

	Without donor restrictions	With donor restrictions	Total
Revenue			
Tuition, net of discounts	\$ 39,939,107	\$ -	\$ 39,939,107
Enrollment and application fees	1,038,987	-	1,038,987
Bookstore	1,163,112	-	1,163,112
Student activities	1,076,400	-	1,076,400
Financial aid and scholarships	(3,427,661)	-	(3,427,661)
Total revenue from student tuition, fees and other income	39,789,945	-	39,789,945
Contributions and support	4,359,946	22,562,262	26,922,208
Investment income	658,756	763,155	1,421,911
Other income	1,360,207	-	1,360,207
Parish school assessment	8,547,297	-	8,547,297
Net assets released from restrictions	1,987,127	(1,987,127)	-
Total revenue	56,703,278	21,338,290	78,041,568
Expenses			
<i>Program services</i>			
Instructional expenses	25,013,711	-	25,013,711
Student services	13,881,769	-	13,881,769
Operations	5,410,010	-	5,410,010
<i>Support services</i>			
General and administrative	5,146,429	-	5,146,429
Development and fundraising	1,850,920	-	1,850,920
Total expenses	51,302,839	-	51,302,839
Change in net assets before other additions	5,400,439	21,338,290	26,738,729

(Continued)

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

**Catholic Education of North Georgia, Inc.
Statements of Activities (Continued)**

For the year ended June 30, 2020

	Without donor restrictions	With donor restrictions	Total
Other additions			
Realized and unrealized gain on investments	894,074	1,096,285	1,990,359
Change in value of beneficial interest	-	82,032	82,032
Gain on interest rate swap agreements	177,051	-	177,051
Total other additions	1,071,125	1,178,317	2,249,442
Change in net assets	6,471,564	22,516,607	28,988,171
Transfer of net assets	(313,892)	313,892	-
Net assets at beginning of year	63,771,560	48,758,969	112,530,529
Net assets at end of year	\$ 69,929,232	\$ 71,589,468	\$ 141,518,700

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

Catholic Education of North Georgia, Inc.
Statements of Functional Expenses

For the year ended June 30, 2021

	Program Services				Supporting Services		
	Instructional	Student Services	Operations	Total Program Expenses	General and Administrative	Development and Fundraising	Total
Payroll and related expenses	\$ 21,389,469	\$ 7,002,731	\$ 983,150	\$ 29,375,350	\$ 3,642,275	\$ 1,073,327	\$ 34,090,952
Advertising	-	-	-	-	31,685	25,684	57,369
Bookstore	-	577,400	-	577,400	-	-	577,400
Cafeteria	-	920,467	-	920,467	-	-	920,467
Depreciation	1,877,285	1,572,641	221,169	3,671,095	153,631	52,256	3,876,982
Dues and subscriptions	9,151	13,642	-	22,793	46,720	659	70,172
Events and activities	3,520	1,348,390	-	1,351,910	12,797	235,895	1,600,602
Instructional materials	330,422	212,958	-	543,380	-	-	543,380
Insurance	320,969	245,033	54,484	620,486	30,643	10,904	662,033
Interest	236,562	143,164	13,748	393,474	183,879	3,324	580,677
Miscellaneous	466,684	446,276	365,466	1,278,426	541,601	218,914	2,038,941
Operating supplies	57,526	125,913	277,511	460,950	128,162	16,161	605,273
Professional development	19,259	12,049	770	32,078	10,096	9,155	51,329
Professional fees	5,440	110,269	1,508	117,217	332,070	1,500	450,787
Repairs and maintenance	7,910	198,410	2,057,009	2,263,329	3,078	100	2,266,507
Subsidies, non-CENGI schools	-	-	409,762	409,762	-	-	409,762
Tuition Aid - non-CENGI schools	-	-	393,000	393,000	-	-	393,000
Utilities	547,592	432,655	79,643	1,059,890	51,318	16,164	1,127,372
Total expenses	\$ 25,271,789	\$ 13,361,998	\$ 4,857,220	\$ 43,491,007	\$ 5,167,955	\$ 1,664,043	\$ 50,323,005

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

Catholic Education of North Georgia, Inc.
Statements of Functional Expenses (Continued)

For the year ended June 30, 2020

	Program Services				Supporting Services		
	Instructional	Student Services	Operations	Total Program Expenses	General and Administrative	Development and Fundraising	Total
Payroll and related expenses	\$ 20,384,657	\$ 6,672,673	\$ 941,860	\$ 27,999,190	\$ 3,718,771	\$ 1,074,081	\$ 32,792,042
Advertising	-	-	-	-	57,231	65,519	122,750
Bookstore	-	495,680	-	495,680	-	-	495,680
Cafeteria	-	1,049,394	-	1,049,394	-	-	1,049,394
Depreciation	1,830,910	1,546,926	228,796	3,606,632	151,075	51,421	3,809,128
Dues and subscriptions	5,760	16,529	539	22,828	39,771	1,359	63,958
Events and activities	4,653	1,575,818	-	1,580,471	8,593	285,149	1,874,213
Instructional materials	273,534	300,275	-	573,809	15	-	573,824
Insurance	377,996	233,440	51,604	663,040	72,024	10,381	745,445
Interest	871,709	564,079	93,312	1,529,100	132,140	20,678	1,681,918
Miscellaneous	546,565	471,141	363,305	1,381,011	556,780	303,297	2,241,088
Operating supplies	83,392	134,937	180,855	399,184	180,258	18,687	598,129
Professional development	57,101	34,871	1,749	93,721	7,216	1,450	102,387
Professional fees	5,956	157,257	2,168	165,381	165,533	1,300	332,214
Repairs and maintenance	13,822	193,441	1,306,086	1,513,349	2,999	1,020	1,517,368
Tuition Aid - non-CENGI schools	-	-	2,155,000	2,155,000	-	-	2,155,000
Utilities	557,656	435,308	84,736	1,077,700	54,023	16,578	1,148,301
Total expenses	\$ 25,013,711	\$ 13,881,769	\$ 5,410,010	\$ 44,305,490	\$ 5,146,429	\$ 1,850,920	\$ 51,302,839

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

Catholic Education of North Georgia, Inc.
Statements of Cash Flows

<i>For the years ended June 30,</i>	2021	2020
Operating Activities		
Change in net assets	\$ 23,877,013	\$ 28,988,171
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation expense	3,876,982	3,809,128
Interest expense representing change in deferred bond costs	194,307	35,971
Realized and unrealized gain on investments	(13,182,481)	(2,072,391)
(Gain) loss on interest rate swap agreements	(385,702)	(177,051)
Donor restricted contributions and income	15,887,992	(21,338,290)
Loss on disposal of property and equipment	7,110	62,716
Forgiveness of Paycheck Protection Program loan	(5,826,541)	-
Change in value of beneficial interest	(1,943,101)	-
Changes in operating assets and liabilities		
Accounts receivable	143,457	(234,489)
Accounts receivable - Chancery	182,923	(147,297)
Promises to give	(889,134)	(2,543,342)
Inventory	68,519	194,835
Other assets	(205,910)	(192,701)
Accounts payable and accrued expenses	(303,316)	465,687
Accounts payable - related parties	166,141	7,934
Contract liabilities	503,550	(400,120)
Agency funds	90,936	(37,327)
Net cash provided by (used in) operating activities	22,262,745	6,421,434
Investing Activities		
Proceeds from sale of investments	11,414,000	6,600,000
Purchase of investments	(740,745)	(1,250,657)
Purchases of property and equipment	(2,767,529)	(2,027,589)
Additions to beneficial interest in assets held by Foundation	(3,783,496)	(716,436)
(Increase) decrease in funds on deposit with AoA Deposit and Loan Fund Trust	17,936,000	(19,013,793)
Net cash provided by (used in) investing activities	22,058,230	(16,408,475)

(Continued)

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

Catholic Education of North Georgia, Inc.
Statements of Cash Flows (Continued)

<i>For the years ended June 30,</i>	2021	2020
Financing Activities		
Donor restricted contributions and income	(15,887,992)	21,338,290
Payments on bonds payable	(29,550,000)	(5,890,000)
Proceeds from Paycheck Protection Program loan	643,300	5,826,541
Payments on capital lease obligation	(138,250)	(75,900)
Payment for termination of interest rate swap agreement	(1,319,000)	-
Cash provided by (used in) financing activities	(46,251,942)	21,198,931
Net change in cash and cash equivalents	(1,930,967)	11,211,890
Cash and cash equivalents at beginning of year	23,897,366	12,685,476
Cash and cash equivalents at end of year	\$ 21,966,399	\$ 23,897,366

Schedule of Noncash Transactions:

Capital lease obligation incurred for acquisition of equipment	\$ 234,981	\$ 94,457
Accounts payable incurred for purchases for property and equipment	\$ 624,933	\$ -
Accrued expenses incurred for construction in progress	\$ 23,000	\$ 395,330

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

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Catholic Education of North Georgia, Inc. (CENGI) is a Georgia nonprofit organization, which has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code. CENGI owns and operates the following schools:

- Blessed Trinity Catholic High School
- Holy Redeemer Catholic School
- Our Lady of Mercy Catholic High School
- Our Lady of Victory Catholic School
- Queen of Angels Catholic School
- St. Pius X Catholic High School

The Archbishop (Archbishop) of the Roman Catholic Archdiocese of Atlanta (Archdiocese) is the sole member of the corporation and exercises control over CENGI by appointing and approving the Board of Directors.

Beginning with the 2022-2023 school year, Our Lady of Victory School in Tyrone and Our Lady of Mercy School in Fayetteville will be consolidated into one PreK-12 Catholic school on the Our Lady of Mercy campus. The school will be renamed St. Mary's Academy.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Funds on Deposit with AoA Deposit and Loan Fund Trust

CENGI invests funds with the AoA Deposit and Loan Fund Trust. The AoA Deposit and Loan Fund Trust receives funds from various Archdiocese entities and in turn loans funds to Archdiocese entities. CENGI's funds invested in the AoA Deposit and Loan Fund Trust totaled \$1,077,793 and \$19,013,793 at June 30, 2021 and 2020, respectively. CENGI's funds invested in the AoA Deposit and Loan Fund Trust earn interest at the rate of 0.75% (1.25% prior to July 2020 and 1.75% prior to April 2020).

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. CENGI provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of students' families to meet their obligations.

Receivables are considered impaired if full payment is not received in accordance with the contractual terms. It is CENGI's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The allowance for doubtful accounts at June 30, 2021 and 2020, was \$85,400 and \$137,400, respectively.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

CENGI uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. The allowance for doubtful promises to give at June 30, 2021 and 2020 was \$0 and \$2,522, respectively.

Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. When evidence exists that net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs. Inventories consist primarily of books, school apparel and supplies.

Investments

CENGI reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Beneficial Interest in Assets held by Foundation

CENGI is the beneficiary of certain endowments held and administered by the Catholic Foundation of North Georgia (the Foundation), the purpose of which is to support the future needs of CENGI. The Foundation has ownership and control of the endowment funds. Pursuant to financial accounting standards, CENGI's interest in the funds is valued at the net present value of CENGI's expected future cash flows from the funds and has been recorded as net assets with donor restrictions, perpetual in nature and related beneficial interest in assets held by the Foundation in the financial statements.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Deferred Charges

Bond issuance costs, totaling \$899,276 related to the bonds were capitalized and were being amortized to interest expense over the life of the loan. Unamortized bond issuance costs were netted with the associated bonds payable. Amortization to interest expense of the bond issuance costs for the years ended June 30, 2021 and 2020 totaled \$194,307 and \$35,971 and accumulated amortization at June 30, 2021 and 2020, totaled \$0 and \$704,969, respectively (Note 7).

Interest Rate Swap Agreements

CENGI held derivative financial instruments for the purpose of hedging the risk of certain identifiable and anticipated transactions. In general, the types of risks hedged are those relating to the variability of LIBOR-based interest payments on bonds payable. In hedging the transactions, CENGI, in the normal course of business, held interest rate swap agreements whose purpose is to provide fixed interest payments on variable interest rate debt. Interest rate swap agreements are further discussed in Note 8.

Net Assets

CENGI reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and are not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of CENGI, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for various reserves (Notes 3 and 11).

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

Net assets with donor restrictions are resources that are subject to donor imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Student tuition, enrollment and application fees, and student activity fees are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with student families are satisfied.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair value at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CENGI. Volunteers provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to program and supporting services. Other expenses that are common to several functions, such as payroll, utilities, insurance, depreciation and interest, are allocated among the programs and supporting activities based on time spent and estimates of asset usage.

Advertising

CENGI uses advertising to promote its programs among the audience it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2021 and 2020, advertising costs totaled \$57,369 and \$122,750, respectively.

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Development and Fundraising Revenue and Expenses

Fundraising revenue and expenses are related to special events and activities of the various parent associations and other groups whose primary function is to raise additional funds for the schools. Development and fundraising expenses include costs of the development offices and other related fundraising expenses, including advertising, brochures, special events and other similar expenses.

Income Taxes

CENGI is included in the group exemption issued by the United States Conference of Catholic Bishops and thereby has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements. Income from certain activities not directly related to CENGI's tax-exempt purpose is subject to taxation as unrelated business income. CENGI considers substantially all of its activities to be directly related to its exempt purpose in 2021 and 2020.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation. Total net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 12, 2022. See Note 18 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Accounting Guidance not yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. CENGI is currently evaluating the impact of the guidance on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. The ASU is effective for fiscal years beginning after June 15, 2021. CENGI is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

CENGI maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as CENGI's expenditures become due. The following reflects CENGI's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions:

<i>June 30,</i>	2021	2020
Total assets at year end	\$ 179,515,397	\$ 190,680,045
Less non-financial assets:		
Inventory	(594,023)	(662,542)
Property and equipment, net	(66,725,000)	(66,958,649)
Other assets	(942,487)	(736,577)
Total financial assets	111,253,887	122,322,277
Less amounts not available to be used within one year:		
Cash collateral for interest rate swap	-	1,690,000
Designated investment funds	3,753,443	3,131,209
Beneficial interest in assets held by foundation	12,480,152	6,753,555
Investments held with donor restrictions	49,645,086	43,704,704
Total amounts not available for use	65,878,681	55,279,468
Financial assets available to meet cash needs for general expenditures within one year	\$ 45,375,206	\$ 67,042,809

Part of CENGI's liquidity management policy is to structure its financial assets to be available for its general expenditures and other obligations that come due. The designated investments have been board-designated for various purposes, however, a portion of these amounts could be made available if necessary.

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 4: CAPITAL CAMPAIGN AND PROMISES TO GIVE

Promises to give at June 30, 2021 and 2020, consist primarily of pledges related to a new capital campaign at St. Pius X Catholic High School announced in September 2019 as well as an existing capital campaign from 2008 which had receipts through December 2019.

Promises to give as of June 30, 2021 and 2020, consist of the following:

<i>June 30,</i>	2021	2020
Promises to give, beginning of year	\$ 2,584,761	\$ 15,942
Contributions from pledges	2,424,432	3,124,334
Payments received on pledges	(1,527,708)	(536,048)
Write-offs	(3,412)	(19,467)
	3,478,073	2,584,761
Less net present value adjustment	(29,655)	(22,955)
Less allowance for uncollectible promises to give	-	(2,522)
Total	\$ 3,448,418	\$ 2,559,284
Amounts due in:		
Less than one year	\$ 1,477,537	\$ 1,036,261
Within two to five years	2,000,536	1,548,500
Total	\$ 3,478,073	\$ 2,584,761

Note 5: INVESTMENTS

At June 30, 2021 and 2020, investments consisted of the following:

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Short-term investments	\$ 1,166,762	\$ 1,166,762	\$ 2,127,734	\$ 2,127,734
Corporate obligations	6,366,136	6,148,441	9,529,949	8,997,400
Equity securities	22,845,630	15,247,211	20,272,755	16,838,570
Equity mutual funds	15,189,918	10,663,129	13,606,988	12,853,317
Debt mutual funds	14,809,581	14,941,792	15,197,913	14,620,011
U.S. government obligations	7,883,170	7,942,881	5,377,521	5,311,407
Pooled investment funds	3,680,393	2,348,305	3,319,504	2,895,545
Total	\$ 71,941,590	\$ 58,458,521	\$ 69,432,364	\$ 63,643,984

Investment income is reported net of related external and direct internal investment expenses in the statement of activities and changes in net assets. The amount of expenses netted with income was \$253,451 and \$256,858 for the years ended June 30, 2021 and 2020, respectively.

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment at June 30, 2021 and 2020, are as follows:

<i>June 30,</i>	Estimated Useful Lives (in years)	2021	2020
Land improvements	5-20	\$ 10,713,656	\$ 10,713,656
Buildings	40-50	76,989,440	76,176,522
Furniture and equipment	5-10	24,987,883	23,507,043
Automobiles	7	1,344,805	1,221,585
		114,035,784	111,618,806
Less accumulated depreciation		(62,827,409)	(60,125,598)
		51,208,375	51,493,208
Land		14,689,153	14,689,153
Construction in progress		827,472	776,288
		\$ 66,725,000	\$ 66,958,649

Depreciation expense for the years ended June 30, 2021 and 2020, was \$3,876,982 and \$3,809,128, respectively.

Approximately \$503,000 of the construction in progress at June 30, 2021 represents fees related to the capital improvements for St. Mary's Academy (Note 1).

Note 7: BONDS PAYABLE AND LINE OF CREDIT

Bonds payable consist of the following:

<i>June 30,</i>	2021	2020
Tax-Exempt Adjustable Mode Educational Facilities Revenue Bonds dated February 1, 1999, and maturing April 1, 2024.	\$ -	\$ 12,500,000
Tax-Exempt Variable Rate Educational Facilities Revenue Bonds dated December 19, 2002, and maturing April 1, 2028.	-	17,050,000
	-	29,550,000
Less unamortized bond issuance costs	-	(194,307)
	\$ -	\$ 29,355,693

All of the educational bonds required monthly interest payments of LIBOR plus .78% and were scheduled to mature in varying annual amounts through April 1, 2028. During the year ended June 30, 2020, CENGI received an \$18,000,000 restricted gift (Note 11) from the Roman Catholic Archdiocese of Atlanta, Inc. (Chancery) to be used to retire some of the outstanding bonds. During the year ended June 30, 2021, the restricted gift and other funds were used to retire all of the outstanding bonds. As discussed in Note 8, CENGI had entered into interest rate swap agreements that provided for fixed rates of interest on the bonds.

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 7: BONDS PAYABLE AND LINE OF CREDIT (Continued)

Interest expense on the bonds payable and interest rate swap agreements totaled \$386,369 and \$1,645,947, for the years ended June 30, 2021 and 2020, respectively. Cash payments for interest totaled \$505,181 and \$1,703,451, for fiscal years 2021 and 2020, respectively.

CENGI entered into a revolving line of credit (LOC) with a financial institution during the year ended June 30, 2018 with a maturity date of June 18, 2021. The LOC had a maximum borrowing limit of \$3,000,000. Interest accrued at a variable rate of the 30 day Libor plus 1% and is payable monthly. There were no draws on the LOC during the year ended June 30, 2020. The financial institution held a security interest on all of CENGI's deposit accounts held at the financial institution.

CENGI entered into a new revolving line of credit (LOC) with a financial institution during the year ended June 30, 2021 with a maturity date of June 15, 2024. The LOC has a maximum borrowing limit of \$3,000,000. Interest accrues at 2 points under index (the margin) but no less than 1.25% per annum. There were no draws on the LOC during the year ended June 30, 2021. The financial institution requires CENGI to maintain a minimum deposit balance with lender for \$1,500,000.

CENGI is required to maintain certain financial covenants, including debt service coverage and liquidity ratios. CENGI is in compliance with these requirements as of June 30, 2021 and 2020.

Note 8: INTEREST RATE SWAP AGREEMENTS

In order to mitigate its exposure to interest rate fluctuations, CENGI entered into interest rate swap agreements that provided for fixed rates of interest on the school bonds (Note 7). The purpose of entering into these swaps was to eliminate long-term interest rate variability by converting LIBOR-based variable-rate payments to fixed-rate payments. CENGI's interest rate swap agreements had been designed and qualified as cash flow hedging instruments. The fair value of the liabilities represented the discounted amount CENGI would have to pay the bank to terminate the agreements at the respective balance sheet dates. The change in fair value of the interest rate swap agreements is recorded in the statements of activities as a gain or loss on interest rate swap agreements.

In 2014, CENGI entered into a forward swap with an effective date of July 1, 2020. The notional amount was for exactly half the expected bond payable amount on that date. Collateral cash for this swap was \$0 and \$1,690,000 at June 30, 2021 and 2020, respectively.

By using a derivative financial instrument to hedge its exposure to changes in interest rates, CENGI exposed itself to credit and market risk. Credit risk is the failure of the counter party to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counter party owes CENGI, which creates credit risk for CENGI. When the fair value of a derivative contract is negative CENGI owes the counter party and, therefore, it does not possess credit risk. CENGI minimized the credit risk in derivative instruments by entering into transactions with high-quality counter parties.

Market risk is an adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate contracts is managed by establishing the monitoring parameters that limit the types and degree of market risk that may be undertaken.

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 8: INTEREST RATE SWAP AGREEMENTS (Continued)

The tables below summarize the swap agreement information reported in the financial statements as of June 30, 2021 and 2020, and for the years then ended.

During the year ended June 30, 2021, CENGI terminated the agreement in conjunction with the extinguishment of the bonds (Note 7). CENGI paid \$1,319,000 to the bank in order to terminate the swap agreement.

For the year ended June 30, 2021

Effective date	Expiration date	Notional amount	Fixed interest rate	Variable interest rate	Fair value of liability	Gain (loss) on interest rate swap
1/26/2012	N/A	N/A	3.55%	N/A	\$ -	\$ 3,065
7/1/2020	N/A	N/A	2.90%	N/A	-	382,637
Total		\$ -			\$ -	\$ 385,702

For the year ended June 30, 2020

Effective date	Expiration date	Notional amount	Fixed interest rate	Variable interest rate	Fair value of liability	Gain (loss) on interest rate swap
1/26/2012	7/1/2020	\$ 32,130,000	3.55%	0.89%	\$ (3,065)	\$ 806,327
7/1/2020	7/1/2025	16,065,000	2.90%	0.89%	(1,701,637)	(629,276)
Total		\$ 48,195,000			\$ (1,704,702)	\$ 177,051

Note 9: PAYCHECK PROTECTION PROGRAM LOANS

In April and May 2020, in response to the global pandemic, the schools applied for and received loans totaling \$5,826,541 through the Paycheck Protection Program (PPP) under the CARES Act. During the year ended June 30, 2021, the schools received notice that the loans had been forgiven.

During the year ended June 30, 2021, two schools applied for and received a second loan under the Economic Aid to Hard-Hit Small Business, Nonprofits and Venues Act (Economic Aid Act), which was signed into law to help address the domestic economic casualties of the pandemic. Section 311 of the act adds a second temporary program to the SBA's 7(a) Loan Program- Paycheck Protection Program (PPP) Second Draw Loans, which allows certain existing PPP borrowers to make a second borrowing. The schools received \$643,300. In the event that the proceeds are not fully spent during the measurement period on qualified expenses, the schools plan to either return the non-granted portion of the proceeds immediately or repay them within a two year period of time following that determination, with interest at 1%. Subsequent to June 30, 2021, the schools received notice that the loans had been forgiven.

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 10: AGENCY FUNDS

CENGI has a number of student organizations that are associated with the schools through fundraising and other student activities. All receipts and expenditures by these organizations are handled by the schools but are not considered revenue and expenses of the schools. The excess of receipts over expenditures of these funds are liabilities of the schools and are recorded as agency funds.

Note 11: RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30, 2021 and 2020:

<i>June 30, 2021</i>	Subject to expenditure for specified purpose	Perpetual in Nature	Total
Education	\$ 25,778,922	\$ 21,311,453	\$ 47,090,375
Beneficial interest in assets held by foundation	-	12,480,152	12,480,152
Expansion and capital improvement	28,235	-	28,235
Other	6,279,919	-	6,279,919
Total	\$ 32,087,076	\$ 33,791,605	\$ 65,878,681

<i>June 30, 2020</i>	Subject to expenditure for specified purpose	Perpetual in Nature	Total
Education	\$ 19,199,790	\$ 24,236,863	\$ 43,436,653
Beneficial interest in assets held by foundation	-	6,753,555	6,753,555
Debt retirement	18,000,000	-	18,000,000
Other	3,399,260	-	3,399,260
Total	\$ 40,599,050	\$ 30,990,418	\$ 71,589,468

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 12: REVENUE

Revenue from Tuition and Fees

Student tuition and fees are accounted for in accordance with ASC 606. Education provided during the school year is considered the primary performance obligation and, thus, tuition along with registration and application fees are recorded ratably over the course of the CENGI's year as increases in net assets without restrictions, net of applicable discounts. Tuition and fees received in advance are deferred until the applicable school term and are recorded as contract liabilities on the statements of financial position.

Other student activity revenue related to events and activities are recorded either at a point in time or over a period of time depending on the nature of the event or activity. Cafeteria revenue, included in revenue from student tuition, fees and other income, is recognized when meals are provided to students.

Financial aid and scholarships are awarded based on need and other factors as specified by the scholarship's donor or determined by management and are recognized ratably over the course of the school year as education is provided.

As of June 30, 2021, there are \$8,348,065 of performance obligations to be satisfied, all of which is expected to be recognized as revenue in 2022.

Contributions and Support

The Chancery provides support to CENGI through the parish school assessments each year and through a one-time \$18,000,000 donation made during the year ended June 30, 2020 (Note 16). Additionally, the schools receive contributions throughout the year from various donors. CENGI recognizes these items as revenue when received or when an unconditional promise to give is made known, and considers them to be available for use without restriction unless the donor stipulates otherwise, in accordance with ASU 2018-08.

The schools receive tuition subsidies from the Chancery. CENGI recognizes the tuition subsidies when received or when an unconditional promise to give is made known, and considers them to be available for use without restriction unless the donor stipulates otherwise, in accordance with ASU 2018-08.

Fundraising revenue is related to special events and activities of the Home and School Associations and other groups whose primary function is to raise additional funds for the schools.

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 12: REVENUE (Continued)

Disaggregated Revenue

A summary of disaggregated revenue information follows:

<i>For the years ended June 30,</i>	2021	2020
Tuition, net of discounts	\$ 41,815,070	\$ 39,939,107
Tuition subsidies	1,232,500	-
Enrollment and application fees	1,111,711	1,038,987
Bookstore	954,231	1,163,112
Student activities	866,800	1,076,400
Financial aid and scholarships	(3,789,983)	(3,427,661)
Total revenue from student tuition, fees and other income	42,190,329	39,789,945
Contributions	6,018,840	6,864,557
Contributions from Chancery	979,578	18,205,610
Events and fundraising	1,407,355	1,852,041
Total contributions, subsidies and support	8,405,773	26,922,208
Investment income	403,818	1,421,911
Other income	1,869,383	1,360,207
Parish school assessment	-	8,547,297
Total other income	2,273,201	11,329,415
Total revenue	\$ 52,869,303	\$ 78,041,568

Contract Balances

<i>June 30,</i>	2021	2020
Contract liabilities, beginning of year	\$ 7,844,515	\$ 8,244,635
Contract liabilities, end of year	\$ 8,348,065	\$ 7,844,515
Receivable from contracts, beginning of year	\$ 375,992	\$ 141,503
Receivable from contracts, end of year	\$ 232,535	\$ 375,992

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 13: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS

CENGI's endowment and designated investment funds consist of various funds established for educational purposes. The endowment includes both donor-restricted endowment funds and funds designated by the board to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

CENGI has interpreted Georgia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CENGI classifies as net assets with donor restrictions, perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions – perpetual in nature is classified as net assets with donor restrictions – subject to expenditure for specified purpose until those amounts are appropriated for expenditure by CENGI in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, CENGI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of CENGI and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of CENGI
7. The investment policies of CENGI

Investment Return Objectives, Risk Parameters and Strategies. CENGI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that CENGI must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce a reasonable rate of return under current market conditions with minimal risk. CENGI also has to maintain compliance with the Archdiocese of Atlanta investment policies.

Spending Policy. CENGI has a policy of appropriating for distribution each year eligible earnings from the prior year plus additional amounts as needed. Some of the donor restricted scholarships require five percent or more to be added to corpus each year. In establishing this policy, CENGI considered the long-term expected return on its endowment. Accordingly, over the long term, CENGI expects the current spending policy to allow its endowment to grow at a rate that will maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

The endowment fund held by the Foundation is subject to the investment and distribution policies of the Foundation.

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 13: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS (Continued)

Endowment net assets composition by type of fund as of June 30, 2021 and 2020:

<i>June 30, 2021</i>	Board designated	Subject to expenditure for specified purpose	Perpetual in Nature	Total
Donor-restricted endowment funds				
Education	\$ -	\$ 25,778,922	\$ 21,311,453	\$ 47,090,375
Beneficial interest in assets held by foundation	-	-	12,480,152	12,480,152
	-	25,778,922	33,791,605	59,570,527
Board-designated endowment funds				
Education	3,753,443	-	-	3,753,443
Total	\$ 3,753,443	\$ 25,778,922	\$ 33,791,605	\$ 63,323,970

<i>June 30, 2020</i>	Board designated	Subject to expenditure for specified purpose	Perpetual in Nature	Total
Donor-restricted endowment funds				
Education	\$ -	\$ 19,199,790	\$ 24,236,863	\$ 43,436,653
Beneficial interest in assets held by foundation	-	-	6,753,555	6,753,555
	-	19,199,790	30,990,418	50,190,208
Board-designated endowment funds				
Education	3,131,209	-	-	3,131,209
Total	\$ 3,131,209	\$ 19,199,790	\$ 30,990,418	\$ 53,321,417

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 13: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS (Continued)

Changes in endowment net assets for the year ended June 30, 2021 and 2020:

<i>For the year ended June 30, 2021</i>	Board designated	Subject to expenditure for specified purpose	Perpetual in Nature	Total
Endowment net assets, beginning of year	\$ 3,131,209	\$ 19,199,794	\$ 30,990,418	\$ 53,321,421
Contributions	-	272,174	39,486	311,660
Transfers	-	(708,152)	818,552	110,400
Investment return				
Investment income	37,555	490,287	48	527,890
Net realized and unrealized appreciation	668,679	8,123,704	1,943,101	10,735,484
Appropriation for expenditure	(84,000)	(1,598,885)	-	(1,682,885)
Total	\$ 3,753,443	\$ 25,778,922	\$ 33,791,605	\$ 63,323,970

<i>For the year ended June 30, 2020</i>	Board designated	Subject to expenditure for specified purpose	Perpetual in Nature	Total
Endowment net assets, beginning of year	\$ 2,985,509	\$ 18,895,955	\$ 29,409,091	\$ 51,290,555
Contributions	-	182,234	1,210,381	1,392,615
Transfers	-	(52,229)	366,121	313,892
Investment return				
Investment income	55,290	763,062	93	818,445
Net realized and unrealized appreciation	90,410	1,173,585	4,732	1,268,727
Appropriation for expenditure	-	(1,762,815)	-	(1,762,815)
Total	\$ 3,131,209	\$ 19,199,792	\$ 30,990,418	\$ 53,321,419

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 14: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Short-term investments: Valued at the closing price reported on the active market on which the individual securities are traded.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by CENGI are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by CENGI are deemed to be actively traded.

Alternative funds: Valued based on NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date. Accordingly, the NAV based investments have been excluded from the fair value hierarchy leveling.

Promises to give: Valued at estimated net realizable value discounted to present value at 5%. Change in value includes changes in the discount and adjustments to the allowance for uncollectible promises to give.

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 14: FAIR VALUE MEASUREMENTS (Continued)

Beneficial interest in assets held by foundation: The fair value of beneficial interest in assets held by foundation is based upon the net present value of CENGI's expected future cash flows. CENGI does not have the ability to redeem this beneficial interest and withdrawals are limited to the terms of CENGI's agreement with the Foundation.

Interest rate swap liability: Fair value determined using a discounted cash flow method based on forward interest rates and expected cash flows.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although CENGI believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets measured at fair value on a recurring basis are summarized for the year ended June 30, 2021:

June 30, 2021	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 1,166,762	\$ -	\$ 1,166,762
Corporate obligations - domestic bonds	-	6,190,211	-	6,190,211
Corporate obligations - international bonds	-	175,925	-	175,925
Debt funds - domestic and international	14,809,581	-	-	14,809,581
Equity securities - domestic	21,553,406	-	-	21,553,406
Equity securities - international	952,220	-	-	952,220
Equity funds - international	15,189,918	-	-	15,189,918
Equity securities - REIT	340,004	-	-	340,004
U.S. agency funds	-	3,425,500	-	3,425,500
U.S. treasury notes	-	4,457,670	-	4,457,670
	<u>52,845,129</u>	<u>15,416,068</u>	<u>-</u>	<u>68,261,197</u>
Investments, measured at net asset value				
Pooled investment funds ^(A)				3,680,393
	<u>\$ 52,845,129</u>	<u>\$ 15,416,068</u>	<u>\$ -</u>	<u>\$ 71,941,590</u>
Promises to give			\$ 3,448,418	\$ 3,448,418
Beneficial interest in assets held by foundation			\$ 12,480,152	\$ 12,480,152

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 14: FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis are summarized for the year ended June 30, 2020:

<i>June 30, 2020</i>	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 2,127,734	\$ -	\$ 2,127,734
Corporate obligations - domestic bonds	-	9,396,504	-	9,396,504
Corporate obligations - international bonds	-	133,445	-	133,445
Debt funds - domestic and international	15,197,913	-	-	15,197,913
Equity securities - domestic	18,864,928	-	-	18,864,928
Equity securities - international	778,444	-	-	778,444
Equity funds - international	13,606,988	-	-	13,606,988
Equity securities - REIT	629,383	-	-	629,383
U.S. agency funds	-	3,933,035	-	3,933,035
U.S. treasury notes	-	1,444,486	-	1,444,486
	<u>\$ 49,077,656</u>	<u>\$ 17,035,204</u>	<u>\$ -</u>	<u>66,112,860</u>
Investments, measured at net asset value				
Pooled investment funds ^(A)				3,319,504
	<u>\$ 49,077,656</u>	<u>\$ 17,035,204</u>	<u>\$ -</u>	<u>\$ 69,432,364</u>
Promises to give			\$ 2,559,284	\$ 2,559,284
Beneficial interest in assets held by foundation			\$ 6,753,555	\$ 6,753,555
Interest rate swap liability			\$ (1,704,702)	\$ (1,704,702)

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

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 14: FAIR VALUE MEASUREMENTS (Continued)

The following is a reconciliation of the change in fair value for the years ended June 30, 2021 and 2020, for Level 3:

<i>For the years ended June 30,</i>	2021	2020
Promises to give		
Receivable at beginning of year	\$ 2,584,761	\$ 15,942
New pledges received	2,424,432	3,124,334
Payments on pledges	(1,527,708)	(536,048)
Write-offs	(3,412)	(19,467)
	3,478,073	2,584,761
Less net present value adjustment	(29,655)	(22,955)
Less allowance for uncollectible promises to give	-	(2,522)
Receivable at end of year	\$ 3,448,418	\$ 2,559,284
Beneficial interest in assets held by foundation		
Balance, beginning of year	\$ 6,753,555	\$ 6,032,387
Additions to assets held by foundation	3,783,496	716,436
Distributions	-	(77,300)
Change in value	1,943,101	82,032
Balance, end of year	\$ 12,480,152	\$ 6,753,555
Interest rate swap liability		
Liability at beginning of year	\$ (1,704,702)	\$ (1,881,753)
Cash payment to terminate swap agreement	1,319,000	-
Gain on swap agreement	385,702	177,051
Liability at end of year	\$ -	\$ (1,704,702)

Changes in Fair Value Levels

The change in value of the interest rate swap liability in 2021 and 2020, is attributable to the revaluation of the interest rate swap agreements based on the current market conditions and the cash payment to terminate the swap agreement and is included in the change in net assets for the years ended June 30, 2021 and 2020.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significant of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2021 and 2020, there were no significant transfers in or out of Levels 1, 2, or 3.

Catholic Education of North Georgia, Inc. Notes to the Financial Statements

Note 15: CONCENTRATIONS OF CREDIT RISK

The Financial Accounting Standards Board requires disclosure about financial instruments and related off-balance sheet risk and concentrations of credit risk. The students attending the schools are primarily with families who are members of various parishes within the Archdiocese. Any off-balance sheet risk or credit risk is dependent on the financial situation of the families and subsequent support of the Archdiocese.

CENGI places its cash with financial institutions and AoA Deposit and Loan Fund Trust. All bank accounts with financial institutions are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. Cash and cash equivalents held by financial institutions exceeded federally insured limits during the years ended June 30, 2021 and 2020. Funds on deposit with AoA Deposit and Loan Fund Trust are not FDIC insured.

Note 16: RELATED-PARTY TRANSACTIONS

Employee Retirement Plan

CENGI participates in a defined contribution plan (the Plan) which is administered by RCAA Administrative Services, Inc. (Services) and covers substantially all lay employees who are over the age of twenty-one and have completed one year of service. Contributions to the Plan are determined based on a percentage of covered employees' salaries, not in excess of amounts allowable under the Internal Revenue Code. CENGI's contributions to the Plan on behalf of the employees were \$1,196,000 and \$1,160,000, for the years ended June 30, 2021 and 2020, respectively.

Health and Life Insurance

Health and life insurance for CENGI's employees and clergy are provided under the plans administered by Services and AoA Group Health Care Plan, LLC. Expenses related to insurance premiums during the years ended June 30, 2021 and 2020, totaled \$5,449,000 and \$5,288,200, respectively.

At June 30, 2021 and 2020, CENGI owed related parties \$408,703 and \$242,562, respectively, for retirement, health insurance, and other expenses.

Tuition and Operating Subsidies

During the year ended June 30, 2021, CENGI received from Chancery \$1,232,500 for tuition subsidies to be used for financial aid and \$570,574 for operating subsidies.

Other

CENGI issued tax-exempt bonds (Note 7) to finance land, buildings and equipment at various CENGI schools. Through June 2020, repayment of the debt has primarily been through the annual parish school assessment provided to CENGI by the Chancery. The parish school assessment totaled \$0 and \$8,547,297 for the years ended June 30, 2021 and 2020, respectively. Accounts receivable—Chancery of \$107,000 and \$289,923 at June 30, 2021 and 2020, respectively, represents amounts owed to CENGI for the parish school assessment.

Catholic Education of North Georgia, Inc.
Notes to the Financial Statements

Note 16: RELATED-PARTY TRANSACTIONS (Continued)

Other (continued)

In June 2020, the Chancery made a restricted gift to CENGI of \$18,000,000 to be used to reduce the \$29,550,000 of bond debt. This restriction was released during the year ended June 30, 2021 in relation to the bond payoff (Note 7). Now that the bond debt has been retired, CENGI will no longer receive the parish school assessment. CENGI is increasing tuition to help cover the cost of operations, but plans to offer substantial discounts to active Catholic parishioners. Management anticipates that the tuition charged to current active Catholic parishioners will not increase due to these changes in tuition structure.

During the year ended June 30, 2020, the Chancery also agreed to provide CENGI with \$205,610 for replacement of the roof at one of the schools.

Note 17: UNCERTAINTAINES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of CENGI. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Note 18: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after June 30, 2021 through January 12, 2022, the date the School's financial statements were available to be issued. The following items occurred:

CENGI loan secured by Our Lady of Mercy real estate

The Board of Directors determined CENGI had a need to borrow funds to pay for capital improvements for St. Mary's Academy (Note 1). The Board of Directors approved CENGI may borrow funds from AoA Deposit and Loan Fund, LLC and executed a promissory note in July 2021 to borrow funds not to exceed \$5,000,000. The loan is secured by the real estate asset currently known as Our Lady of Mercy High School.

Land Acquisition

Subsequent to year end in October 2021, CENGI acquired land to be used at St. Pius X Catholic High School for approximately \$1,487,000.



ACCOMPANYING INFORMATION





Carr, Riggs & Ingram, LLC
4004 Summit Boulevard NE
Suite 800
Atlanta, GA 30319

770.394.8000
770.451.2873 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT ON ACCOMPANYING INFORMATION

Board of Directors
Catholic Education of North Georgia, Inc.
Atlanta, Georgia

We have audited the financial statements of Catholic Education of North Georgia, Inc. as of and for the years ended June 30, 2021 and 2020, and our report thereon dated, January 12, 2022, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 36 to 40 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
January 12, 2022

Catholic Education of North Georgia, Inc.
Combining Statement of Financial Position

June 30, 2021

	Catholic Education of North Georgia	St. Pius X	Blessed Trinity	Our Lady of Mercy	Holy Redeemer	Queen of Angels	Our Lady of Victory	Combining Adjustments	Total
Assets									
Cash and cash equivalents	\$ 14,398,881	\$ 3,222,981	\$ 2,511,475	\$ 363,713	\$ 696,759	\$ 468,324	\$ 304,266	\$ -	\$ 21,966,399
Funds on deposit with CENGI	-	21,098,823	9,900,059	784,798	7,830,153	2,707,489	327,740	(42,649,062)	-
Funds on deposit with AoA Deposit and Loan Fund Trust	1,077,793	-	-	-	-	-	-	-	1,077,793
Accounts receivable, net	-	4,111	115,680	41,223	16,815	23,743	30,963	-	232,535
Accounts receivable - Roman Catholic Archdiocese of Atlanta, Inc.	107,000	-	-	-	-	-	-	-	107,000
Promises to give, net	-	3,448,418	-	-	-	-	-	-	3,448,418
Inventory	-	164,500	296,112	-	-	133,411	-	-	594,023
Investments at fair value	71,941,590	-	-	-	-	-	-	-	71,941,590
Beneficial interest in assets held by Foundation	-	9,108,414	1,795,592	68,729	689,942	760,328	57,147	-	12,480,152
Property and equipment, net	430,266	18,484,036	19,920,585	12,674,186	5,242,216	6,165,283	3,808,428	-	66,725,000
CENGI Deposit and Loan Fund receivable	11,350,000	-	-	-	-	-	-	(11,350,000)	-
Other assets	-	722,232	114,550	-	24,506	81,199	-	-	942,487
Total assets	\$ 99,305,530	\$ 56,253,515	\$ 34,654,053	\$ 13,932,649	\$ 14,500,391	\$ 10,339,777	\$ 4,528,544	\$ (53,999,062)	\$ 179,515,397
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	\$ 19,933	\$ 1,318,896	\$ 1,284,036	\$ 680,978	\$ 536,638	\$ 370,048	\$ 112,534	\$ -	\$ 4,323,063
Accounts payable - related parties	-	25,500	119,051	126,321	51,343	3,918	82,570	-	408,703
Deposits payable	42,649,062	-	-	-	-	-	-	(42,649,062)	-
Contract liabilities	-	2,947,827	3,475,566	131,923	335,274	1,415,020	42,455	-	8,348,065
CENGI Deposit and Loan Fund payable	-	-	8,400,000	-	1,475,000	1,475,000	-	(11,350,000)	-
Paycheck Protection Plan Loan	-	-	-	454,550	-	-	188,750	-	643,300
Agency funds	-	396,553	-	-	-	-	-	-	396,553
Total liabilities	42,668,995	4,688,776	13,278,653	1,393,772	2,398,255	3,263,986	426,309	(53,999,062)	14,119,684
Net assets									
Without donor restrictions									
Undesignated	7,329,729	35,879,936	18,462,061	12,470,148	11,412,194	6,164,433	4,045,088	-	95,763,589
Designated investment funds	3,753,443	-	-	-	-	-	-	-	3,753,443
	11,083,172	35,879,936	18,462,061	12,470,148	11,412,194	6,164,433	4,045,088	-	99,517,032
With donor restrictions									
Purpose restrictions	25,553,363	6,277,369	105,314	-	-	151,030	-	-	32,087,076
Perpetual in nature	20,000,000	9,407,434	2,808,025	68,729	689,942	760,328	57,147	-	33,791,605
Total net assets	56,636,535	51,564,739	21,375,400	12,538,877	12,102,136	7,075,791	4,102,235	-	165,395,713
Total liabilities and net assets	\$ 99,305,530	\$ 56,253,515	\$ 34,654,053	\$ 13,932,649	\$ 14,500,391	\$ 10,339,777	\$ 4,528,544	\$ (53,999,062)	\$ 179,515,397

See Independent Auditors' Report on Accompanying Information.

Catholic Education of North Georgia, Inc.
Combining Statement of Activities

For the year ended June 30, 2021

	Catholic Education of North Georgia	St. Pius X	Blessed Trinity	Our Lady of Mercy	Holy Redeemer	Queen of Angels	Our Lady of Victory	Combining Adjustments	Total
Revenues									
Tuition, net of discounts	\$ -	\$ 15,717,540	\$ 13,546,310	\$ 2,707,343	\$ 4,433,517	\$ 4,455,246	\$ 955,114	\$ -	\$ 41,815,070
Tuition subsidies	-	210,000	125,000	507,500	50,000	50,000	290,000	-	1,232,500
Enrollment and application fees	-	379,150	452,451	54,982	29,417	161,315	34,396	-	1,111,711
Bookstore	-	421,237	532,994	-	-	-	-	-	954,231
Student activities	-	51,061	109,639	25,329	278,748	390,577	11,446	-	866,800
Financial aid and scholarships	-	(958,481)	(995,890)	(898,634)	(227,090)	(247,050)	(305,338)	(157,500)	(3,789,983)
Total revenue from student tuition, fees and other income	-	15,820,507	13,770,504	2,396,520	4,564,592	4,810,088	985,618	(157,500)	42,190,329
Contributions and support	-	5,181,516	1,068,415	113,984	644,054	386,428	31,798	-	7,426,195
Contributions from Chancery	-	-	4,125,000	311,638	7,003,000	7,281,000	258,940	(18,000,000)	979,578
Investment income	808,813	149,118	70,064	6,371	53,906	27,990	1,036	(713,480)	403,818
Other income	409,314	942,686	51,704	366,902	29,378	40,983	28,416	-	1,869,383
Total revenue	1,218,127	22,093,827	19,085,687	3,195,415	12,294,930	12,546,489	1,305,808	(18,870,980)	52,869,303
Expenses									
<i>Program services</i>									
Instructional expenses	-	8,499,013	8,116,800	1,793,272	2,630,616	3,246,389	985,699	-	25,271,789
Student services	-	6,447,820	3,862,613	748,093	1,135,672	915,236	252,564	-	13,361,998
Operations	18,960,262	1,008,658	1,222,648	910,945	444,111	407,238	60,858	(18,157,500)	4,857,220
<i>Support services</i>									
General and administrative	1,317,882	1,278,294	1,115,306	673,417	619,126	598,465	278,945	(713,480)	5,167,955
Development and fundraising	-	669,034	484,290	89,589	194,812	211,449	14,869	-	1,664,043
Total expenses	20,278,144	17,902,819	14,801,657	4,215,316	5,024,337	5,378,777	1,592,935	(18,870,980)	50,323,005
Change in net assets before other additions (reductions)	(19,060,017)	4,191,008	4,284,030	(1,019,901)	7,270,593	7,167,712	(287,127)	-	2,546,298
Other additions (reductions)									
Realized and unrealized gain on investments	13,182,481	-	-	-	-	-	-	-	13,182,481
Change in value of beneficial interest	-	1,224,445	384,046	14,649	146,401	161,451	12,109	-	1,943,101
Loss on disposal of property	-	-	-	-	-	(7,110)	-	-	(7,110)
Gain on interest rate swap agreements	385,702	-	-	-	-	-	-	-	385,702
Forgiveness of Paycheck Protection Program loans	-	2,155,600	1,693,900	474,700	630,018	675,700	196,623	-	5,826,541
Total other additions (reductions)	13,568,183	3,380,045	2,077,946	489,349	776,419	830,041	208,732	-	21,330,715
Change in net assets	(5,491,834)	7,571,053	6,361,976	(530,552)	8,047,012	7,997,753	(78,395)	-	23,877,013
Net assets at beginning of year	62,128,369	43,993,686	15,013,424	13,069,429	4,055,124	(921,962)	4,180,630	-	141,518,700
Net assets at end of year	\$ 56,636,535	\$ 51,564,739	\$ 21,375,400	\$ 12,538,877	\$ 12,102,136	\$ 7,075,791	\$ 4,102,235	\$ -	\$ 165,395,713

See Independent Auditors' Report on Accompanying Information.

Catholic Education of North Georgia, Inc.
Investments at Fair Value

<i>June 30,</i>	2021			2020	
	Deposit and Loan Funds	Designated Investment Funds	Endowment Funds	Total Fair Value	Total Fair Value
Catherine Brisbane Tuition Assistance Fund	\$ -	\$ 728,557	\$ -	\$ 728,557	\$ 615,548
Catholic Schools Fund	-	-	45,654,656	45,654,656	38,404,349
Deposit and Loan Fund	22,528,109	-	-	22,528,109	27,891,424
Gertrude Aulbach Tuition Assistance	-	691,839	-	691,839	561,995
George Aulbach Scholarship Fund	-	546,530	-	546,530	444,087
High School Scholarship Fund	-	1,791,899	-	1,791,899	1,514,961
Investment balances at end of year	\$ 22,528,109	\$ 3,758,825	\$ 45,654,656	\$ 71,941,590	\$ 69,432,364

See Independent Auditors' Report on Accompanying Information.

Catholic Education of North Georgia, Inc.
Changes in Designated Investment and Endowment Fund Balances

For the year ended June 30, 2021

	June 30, 2020 Balance	Additions					Deductions				June 30, 2021 Balance	
		Donations and Pledges	Investment Income	Transfers (to) from Operating Funds	Realized and Unrealized Gain (Loss) on Investments	Change in value of beneficial interest	Total Additions	Distributions to Beneficiary	Income Transferred to Operating Funds	Total Deductions		Net Increase (Decrease) in Funds
Changes in Designated Investment Fund Balances												
Catherine Brisbane Tuition Asst. Fund	\$ 615,547	\$ -	\$ 7,283	\$ -	\$ 129,727	\$ -	\$ 137,010	\$ 24,000	\$ -	\$ 24,000	\$ 113,010	\$ 728,557
Gertrude Aulbach Tuition Assistance	561,995	-	6,908	-	122,936	-	129,844	-	-	-	129,844	691,839
George Aulbach Scholar Fund	444,087	-	5,455	-	96,988	-	102,443	-	-	-	102,443	546,530
High School Scholarship Fund	1,509,580	-	17,909	-	319,028	-	336,937	60,000	-	60,000	276,937	1,786,517
Total	\$ 3,131,209	\$ -	\$ 37,555	\$ -	\$ 668,679	\$ -	\$ 706,234	\$ 84,000	\$ -	\$ 84,000	\$ 622,234	\$ 3,753,443
Changes in Endowment Fund Balances												
Blessed Trinity Catholic High School beneficial interests	\$ 1,411,546	\$ -	\$ -	\$ -	\$ -	\$ 384,046	\$ 384,046	\$ -	\$ -	\$ -	\$ 384,046	\$ 1,795,592
Blessed Trinity Catholic High School endowment	1,079,770	34,186	8,090	(24,444)	-	-	17,832	-	8,090	8,090	9,742	1,089,512
Catholic Schools Inc.	38,303,056	-	456,603	-	8,123,704	-	8,580,307	1,330,000	-	1,330,000	7,250,307	45,553,363
Holy Redeemer Catholic School beneficial interests	543,541	-	-	-	-	146,401	146,401	-	-	-	146,401	689,942
Queen of Angels Catholic School beneficial interests	598,877	-	-	-	-	161,451	161,451	-	-	-	161,451	760,328
Our Lady of Mercy Catholic High School beneficial interests	54,080	-	-	-	-	14,649	14,649	-	-	-	14,649	68,729
Our Lady of Victory Catholic School beneficial interests	45,038	-	-	-	-	12,109	12,109	-	-	-	12,109	57,147
St. Pius X Catholic High School beneficial interests	4,100,473	-	-	3,783,496	-	1,224,445	5,007,941	-	-	-	5,007,941	9,108,414
St. Pius X Catholic High School endowment	4,053,829	277,474	25,642	(3,909,445)	-	-	(3,606,329)	-	-	-	(3,606,329)	447,500
Total	\$ 50,190,210	\$ 311,660	\$ 490,335	\$ (150,393)	\$ 8,123,704	\$ 1,943,101	\$ 10,718,407	\$ 1,330,000	\$ 8,090	\$ 1,338,090	\$ 9,380,317	\$ 59,570,527

Catholic Education of North Georgia, Inc.
Property and Equipment

For the year ended June 30, 2021

	Estimated Useful Lives (in years)	June 30, 2020 Balance	Additions	Reductions	June 30, 2021 Balance	Catholic Education of North Georgia	St. Pius	Blessed Trinity	Our Lady of Mercy	Holy Redeemer	Queen of Angels	Our Lady Victory	June 30, 2021 Total
Land	Not depreciated	\$ 14,689,153	\$ -	\$ -	\$ 14,689,153	\$ 430,266	\$ 6,939,391	\$ 2,773,983	\$ 2,025,442	\$ 1,196,372	\$ 1,058,825	\$ 264,874	\$ 14,689,153
Land improvements	15	10,713,656	-	-	10,713,656	-	3,202,635	5,245,981	-	897,950	1,313,080	54,010	10,713,656
Buildings	40-50	76,176,522	1,621,667	808,749	76,989,440	-	19,992,571	22,064,590	16,454,825	5,952,090	6,793,658	5,731,706	76,989,440
Furniture, fixtures, and equipment	5-10	23,507,043	1,854,410	373,570	24,987,883	-	6,717,920	8,745,398	2,181,827	2,482,757	3,279,706	1,580,275	24,987,883
Automobiles	7	1,221,585	123,220	-	1,344,805	-	443,946	532,631	368,228	-	-	-	1,344,805
Construction in progress	Not depreciated	776,288	895,390	844,206	827,472	-	48,114	253,246	503,112	23,000	-	-	827,472
		127,084,247	4,494,687	2,026,525	129,552,409	430,266	37,344,577	39,615,829	21,533,434	10,552,169	12,445,269	7,630,865	129,552,409
Less: accumulated depreciation		(60,125,598)	(3,877,018)	(1,175,207)	(62,827,409)	-	(18,860,541)	(19,695,244)	(8,859,248)	(5,309,953)	(6,279,986)	(3,822,437)	(62,827,409)
Total		\$ 66,958,649	\$ 617,669	\$ 851,318	\$ 66,725,000	\$ 430,266	\$ 18,484,036	\$ 19,920,585	\$ 12,674,186	\$ 5,242,216	\$ 6,165,283	\$ 3,808,428	\$ 66,725,000

See Independent Auditors' Report on Accompanying Information.