

THE ST. AUSTIN SCHOOL  
FINANCIAL STATEMENTS

*June 30, 2023*



ZIELINSKI & ASSOCIATES, P.C.

---

CERTIFIED PUBLIC ACCOUNTANTS

THE ST. AUSTIN SCHOOL  
FINANCIAL STATEMENTS

*June 30, 2023*

THE ST. AUSTIN SCHOOL

FINANCIAL STATEMENTS

*June 30, 2023*

***Table of Contents***

---

Independent Auditor's Report .....	Page 1
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7



**ZIELINSKI & ASSOCIATES, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

## **Independent Auditor's Report**

Board of Governors  
The St. Austin School  
St. Louis, Missouri

We have audited the accompanying financial statements of The St. Austin School (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2023, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year 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 The St. Austin School as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis of Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The St. Austin School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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, 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 St. Austin School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's 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 auditor's 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 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 audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The St. Austin School'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 The St. Austin School'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 audits, significant audit findings, and certain internal control related matters that we identified during the audit.



February 13, 2024

THE ST. AUSTIN SCHOOL

STATEMENT OF FINANCIAL POSITION

June 30, 2023

**Assets**

Current assets:

Cash	\$ 145,714
Investments (Note B)	1,545,039
Accounts receivable—tuition	1,058
Pledges receivable (Note C)	81,000
Prepaid expenses	39,467
Inventory	<u>11,458</u>

**Total Current Assets** 1,823,736

Pledges receivable non-current (Note C) 60,000

**TOTAL ASSETS** \$ 1,883,736

**Liabilities and Net Assets**

Current liabilities:

Accounts payable and accrued liabilities	\$ 20,229
Accrued payroll, benefits, and taxes	75,907
Deferred tuition and fees (Note D)	<u>162,713</u>

**Total Current Liabilities** 258,849

**TOTAL LIABILITIES** 258,849

Net assets

Net assets without donor restrictions—not administratively designated	1,088,999
Net assets without donor restrictions—administratively designated (Note F)	260,000
Net assets with donor restrictions (Note G)	<u>275,888</u>

**TOTAL NET ASSETS** 1,624,887

**TOTAL LIABILITIES AND NET ASSETS** \$ 1,883,736

THE ST. AUSTIN SCHOOL

STATEMENT OF ACTIVITIES

For the year ended June 30, 2023

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>Revenues</b>			
Tuition and fees (Note D)	\$ 1,278,342	-	\$ 1,278,342
Financial assistance	(221,410)	-	(221,410)
Donations	274,715	\$ 312,459	587,174
Fundraising events revenue	96,510	-	96,510
Investment income, net	33,837	-	33,837
Other interest—ERC	9,981	-	9,981
In-kind donations (Note E)	109,000	-	109,000
Net assets released from restrictions (Note G)	<u>59,071</u>	<u>(59,071)</u>	<u>-0-</u>
<b>TOTAL REVENUES</b>	<u>1,640,046</u>	<u>253,388</u>	<u>1,893,434</u>
<b>Expenses</b>			
Program services	1,229,181	-	1,229,181
Management and general	50,000	-	50,000
Fundraising	<u>114,988</u>	<u>-</u>	<u>114,988</u>
<b>TOTAL EXPENSES</b>	<u>1,394,169</u>	<u>-</u>	<u>1,394,169</u>
<b>CHANGES IN NET ASSETS BEFORE OTHER CHANGES</b>	<u>245,877</u>	<u>253,388</u>	<u>499,265</u>
<b>Other Changes</b>			
Loss on abandonment of property	<u>(43,771)</u>	<u>-</u>	<u>(43,771)</u>
<b>CHANGES IN NET ASSETS</b>	202,106	253,388	455,494
<b>Net Assets, Beginning of Year</b>	<u>1,146,893</u>	<u>22,500</u>	<u>1,169,393</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,348,999</u>	<u>\$ 275,888</u>	<u>\$ 1,624,887</u>

THE ST. AUSTIN SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

*For the year ended June 30, 2023*

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
School salaries and benefits	\$ 869,679	-	-	\$ 869,679
Books, supplies, and technology	86,364	-	-	86,364
Student activities	9,867	-	-	9,867
Insurance, accounting, and office	66,961	-	-	66,961
Rent and facility	120,004	-	-	120,004
Marketing and promotion	17,306	-	-	17,306
In-kind services	59,000	\$ 50,000	-	109,000
Development	<u>-</u>	<u>-</u>	<u>\$ 114,988</u>	<u>114,988</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 1,229,181</u>	<u>\$ 50,000</u>	<u>\$ 114,988</u>	<u>\$ 1,394,169</u>



THE ST. AUSTIN SCHOOL

STATEMENT OF CASH FLOWS

*For the year ended June 30, 2023*

<b>Cash Flows from Operating Activities</b>	
Changes in net assets	\$ 455,494
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized gains on investments	(2,965)
Changes in:	
Accounts receivable	228,755
Pledges receivable	(126,437)
Prepaid expenses	(4,582)
Inventory	(2,271)
Accounts payable and accrued liabilities	11,679
Accrued payroll, benefits, and taxes	8,951
Deferred tuition and fees	<u>(20,302)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>548,322</u>
<b>Cash Flows from Investing Activities</b>	
Investment activity, net	<u>(539,052)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(539,052)</u>
<b>NET INCREASE IN CASH</b>	9,270
<b>Cash, Beginning of Year</b>	<u>136,444</u>
<b>CASH, END OF YEAR</b>	<u>\$ 145,714</u>

# THE ST. AUSTIN SCHOOL

## NOTES TO FINANCIAL STATEMENTS

*June 30, 2023*

---

### **NOTE A—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization**

The St. Austin School (the School) is an independent Catholic school, situated in West St. Louis County. The School is St. Louis' only Catholic, Classical PreK through grade eight school. It admits students from over 30 different parishes across the St. Louis Archdiocese. The St Austin School provides a rigorous academic program which prepares students to excel in secondary schools of the highest caliber. In collaboration with its families, the School helps form students in Christian virtues and the lifelong practice of the Catholic Faith. The School has been educating boys and girls since its founding in 2011.

#### **Basis of Presentation**

The financial statements of the School have been prepared on the accrual basis of accounting.

Net assets and changes therein are classified as follows:

- *Net assets without donor restrictions*—net assets not subject to donor-imposed restrictions.
- *Net assets with donor restrictions*—net assets subject to donor-imposed restrictions that may or will be met by actions of the School and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as transfers between the applicable classes of net assets

#### **Revenue Recognition**

The School recognizes tuition and other fee revenue in the school year in which the services are provided. Tuition amounts billed and received for the upcoming school year are recorded as deferred tuition.

#### **Contributions and Promises to Give**

Contributions received and promises to give are reported without donor restrictions or with donor restrictions, if any. Contributions that are promised in one year but are not expected to be collected until after the end of that year are recorded as pledges receivable. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Donated materials and equipment are recorded as contributions based on the estimated fair value at the date of donation. Donated services are recorded as contributions at their estimated fair value only in those instances where the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation.

# THE ST. AUSTIN SCHOOL

## NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2023*

---

### **NOTE A—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

#### **Cash**

The School maintains its cash in bank deposit accounts which are covered by the Federal Deposit Insurance Corporation (FDIC). Periodically, the bank deposit accounts may exceed the FDIC insurance limits.

#### **Investments**

Investments are recorded at fair value using quoted prices in active markets. All investment income, gains, and losses are recorded in the Statements of Activities.

#### **Doubtful Accounts Receivable**

The School uses the direct write-off method to account for uncollectible tuition and fees. Bad debt recoveries are included in income as realized.

#### **Concentration of Credit Risk**

The School extends credit to parents requesting installment payments throughout the school year. The ability of the parents to honor the installment payment contracts is dependent upon their individual earnings and cash flows. Historically, losses on these contracts have not been significant.

#### **New Accounting Pronouncement**

During 2023, the School considered the recognition and measurement requirements under FASB Accounting Standards Codification (ASC) 842, Leases. ASC 842 requires a lessee must recognize both a right-of-use asset and an associated lease liability on the Statement of Financial Position for all leases (other than short-term leases for which the lessee elected the recognition and measurement exemption). New disclosures are required including general description of the leases, lease terms, and significant assumptions and judgements used in lease measurement. FASB ASC 842 is not applicable to the School because the School's lease allows early termination with a three-month notice in writing from the School.

#### **Right-of-Use Assets and Liabilities**

Right-of-use assets and liabilities are measured at the present value of future minimum lease payments. Management has elected to exclude short-term leases of twelve months or less, use a risk-free treasury rate, and not to separate the lease components and use a single lease expense. The School does not have any long-term leases for the year ended June 30, 2023.

THE ST. AUSTIN SCHOOL

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2023*

---

**NOTE A—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES *(Continued)***

**Property and Equipment**

The School capitalizes all property and equipment with a cost greater than \$5,000. Property and equipment are carried at cost or, if donated, at the estimated fair value on the date of the gift. All capitalized property has been fully depreciated.

**Income Taxes**

The School is a qualified organization exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

**Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

**Functional Allocation of Expenses**

The School allocates its expenses on a functional basis to its programs and supporting services. Expenses that can be allocated to specific programs or supporting services are allocated directly. Other expenses are allocated by management's best estimate of the resources devoted to the programs or supporting services.

**Inventory**

Inventory is comprised of schoolbooks and test booklets and is valued at cost.

**Subsequent Events**

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through February 13, 2024, the date the financial statements were available to be issued.

THE ST. AUSTIN SCHOOL

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2023*

**NOTE B—INVESTMENTS**

The School adopted FASB Accounting Standards Codification (ASC) Topic 820. Topic 820 defines fair value 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. Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than Level 1 prices, 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 for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following tables present the fair value measurements of investments recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the ASC 820 fair value hierarchy in which the fair value measurements fall at June 30, 2023:

	<b>Fair Value (Level 1)</b>
Cash	\$ 500,000
Brokered certificates of deposit	628,074
UBS Select Government Fund	<u>416,965</u>
<b>Total Level One</b>	<b>\$ <u>1,545,039</u></b>

Investment income for the year ended June 30:

Interest income	\$ 30,128
Realized gain on investments	919
Unrealized gain on investments	2,965
Investment fees	<u>(175)</u>
	<b>\$ <u>33,837</u></b>

THE ST. AUSTIN SCHOOL

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2023*

**NOTE C—PLEDGES RECEIVABLE**

The School has received pledges, which have been discounted to their present value. Pledges have been received for the following purposes as of June 30, 2023:

Unrestricted	\$ 61,000
Building	<u>80,000</u>
<b>Total</b>	<b>\$ <u>141,000</u></b>

Pledges expected to be received each year are as follows:

2024	\$ 81,000
2025	20,000
2026	20,000
2027	<u>20,000</u>
<b>Total</b>	<b>\$ <u>141,000</u></b>

**NOTE D—TUITION AND FEES**

The School experienced the following activity in connection with its tuition and fee contracts in place as of June 30, 2023:

Contract assets:	
Accounts receivable from student contracts	<u>\$ 1,058</u>
Revenue recognized in tuition and fees contracts:	
Tuition revenue	1,232,278
Books and supplies fees	42,926
Sponsorships	<u>3,138</u>
	<u>\$ 1,278,342</u>
Contract liabilities:	
Tuition and fees paid in advance	<u>\$ 162,713</u>

**NOTE E—IN-KIND DONATIONS**

During the year ended June 30, 2023, services were donated to the School for the positions and amounts below. The fair value was estimated based on the cost to hire these positions including benefits.

Librarian	\$ 9,000
Director of Admissions	50,000
Business Manager	<u>50,000</u>
<b>Total</b>	<b>\$ <u>109,000</u></b>

THE ST. AUSTIN SCHOOL

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2023

---

**NOTE F—ADMINISTRATIVELY DESIGNATED NET ASSETS**

The School has designated portions of their net assets to be used only for the following purposes:

Need-based financial assistance	\$ <u>260,000</u>
---------------------------------	-------------------

**NOTE G—NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available for the following purpose at June 30, 2023:

Fund-a-Need	\$ 11,818
Building	<u>264,070</u>
	<u>\$ 275,888</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors.

Purpose restrictions accomplished:	
Need-based financial assistance	\$ 15,300
Building—abandonment of property	<u>43,771</u>
	<u>\$ 59,071</u>

**NOTE H—403(b) RETIREMENT SAVINGS PLAN**

The School maintains a 403(b) Retirement Savings Plan covering all eligible employees. There were 14 participants during the June 30, 2023 fiscal year. The total cost to the School was \$29,390 for the year ended June 30, 2023.

**NOTE I—ROSARIO GASQUET MEMORIAL FUND**

In 2021, an un-endowed fund was set up at the Roman Catholic Foundation of Eastern Missouri. The fund was set up in memory of Rosario Gasquet with instructions to distribute 5% of the Fund's average value to The St Austin School to support the teaching of Spanish at the School. If the School is unable to use the funds for that purpose, successor benefiting organizations have been designated. If the fund balance falls below \$10,000 the remaining balance is to be distributed to the School. The balance of the fund at June 30, 2023 is \$22,912.

THE ST. AUSTIN SCHOOL

NOTES TO FINANCIAL STATEMENTS *(Continued)*

*June 30, 2023*

---

**NOTE J—LIQUIDITY AND AVAILABILITY OF RESOURCES**

The School's financial assets available within one year of the Statement of Financial Position for general expenditures are as follows:

Cash	\$ 145,714
Investments	1,545,039
Pledges receivable due within one year	81,000
Accounts receivable—tuition	<u>1,058</u>
<b>Total Financial Assets Available</b>	<u><b>1,772,811</b></u>
Less: amounts unavailable within one year	
Accounts payable and accrued expenses	20,229
Accrued payroll, benefits, and taxes	75,907
Net assets with donor restrictions	<u>275,888</u>
<b>Amounts Unavailable within One Year</b>	<u><b>372,024</b></u>
<b>Total Financial Assets Available to Management for General Expenditure within One Year</b>	<u><b>\$ 1,400,787</b></u>

**NOTE K—EMPLOYEE RETENTION CREDITS**

The School utilized an outside CPA firm to apply for retention credits and received \$236,482 and \$26,193 (unaudited) as of June 30, 2023 and 2022, respectively.