

St. Philip & St. Augustine Catholic Academy, Inc.

Financial Statements

and

Independent Auditors' Report

As of June 30, 2025 and 2024

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ALEXANDER & WILLIAMS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
St. Philip & St. Augustine Catholic Academy, Inc.

Opinion

We have audited the accompanying financial statements of St. Philip & St. Augustine Catholic Academy, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 St. Philip & St. Augustine Catholic Academy, Inc. as of June 30, 2025 and 2024, 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 St. Philip & St. Augustine Catholic Academy, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 St. Philip & St. Augustine Catholic Academy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are issued.

Alexander & Williams, PLLC
5050 Quorum Drive, Suite 700
Dallas, Texas 75254

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 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 St. Philip & St. Augustine Catholic Academy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Philip & St. Augustine Catholic Academy, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Alexander & Williams, PLLC

Dallas, Texas
September 16, 2025

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 571,543	\$ 613,253
Accounts receivable, tuition	39,292	2,299
Pledges receivable	93,627	79,124
Prepaid expenses and other assets	-	14,512
Total current assets	<u>704,462</u>	<u>709,188</u>
Property and equipment:		
Building and building improvements	7,583,777	7,589,561
Furniture and equipment	662,863	662,863
Less: accumulated depreciation	<u>(3,132,830)</u>	<u>(2,844,137)</u>
Total property and equipment, net	<u>5,113,810</u>	<u>5,408,287</u>
Total assets	<u><u>\$ 5,818,272</u></u>	<u><u>\$ 6,117,475</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 10,994	\$ 10,296
Deferred tuition revenue	89,633	208,619
Total current liabilities	<u>100,627</u>	<u>218,915</u>
Commitments and contingencies (Note 4)		
Net assets:		
Without donor restrictions	5,380,201	5,855,589
With donor restrictions (Note 3)	337,444	42,971
Total net assets	<u>5,717,645</u>	<u>5,898,560</u>
Total liabilities and net assets	<u><u>\$ 5,818,272</u></u>	<u><u>\$ 6,117,475</u></u>

The accompanying notes are an integral part of these financial statements

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Earned revenue and support:			
Earned revenue:			
Tuition and fees, net of scholarships	\$ 2,247,877	\$ -	\$ 2,247,877
Fundraising and special events	248,224	-	248,224
Total earned revenue	<u>2,496,101</u>	<u>-</u>	<u>2,496,101</u>
Support:			
Contributions	173,878	306,222	480,100
Net assets placed into restriction	11,749	(11,749)	-
Total support	<u>185,627</u>	<u>294,473</u>	<u>480,100</u>
Other revenue:			
Interest income	13,839	-	13,839
Total other revenue	<u>13,839</u>	<u>-</u>	<u>13,839</u>
Total revenue and support	<u>2,695,567</u>	<u>294,473</u>	<u>2,990,040</u>
Functional expenses:			
Program services	1,846,946	-	1,846,946
Supporting services	1,324,009	-	1,324,009
Total costs and expenses	<u>3,170,955</u>	<u>-</u>	<u>3,170,955</u>
Change in net assets	(475,388)	294,473	(180,915)
Net assets at beginning of year	<u>5,855,589</u>	<u>42,971</u>	<u>5,898,560</u>
Net assets at end of year	<u>\$ 5,380,201</u>	<u>\$ 337,444</u>	<u>\$ 5,717,645</u>

The accompanying notes are an integral part of these financial statements

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Earned revenue and support:			
Earned revenue:			
Fundraising and special events	\$ 315,607	\$ -	\$ 315,607
Tuition and fees, net of scholarships	2,135,236	-	2,135,236
Total earned revenue	<u>2,450,843</u>	<u>-</u>	<u>2,450,843</u>
Support:			
Contributions	65,882	136,624	202,506
Net assets released from restrictions	213,287	(213,287)	-
Total support	<u>279,169</u>	<u>(76,663)</u>	<u>202,506</u>
Other revenue:			
Interest income	27,140	-	27,140
Total other revenue	<u>27,140</u>	<u>-</u>	<u>27,140</u>
Total revenue and support	<u>2,757,152</u>	<u>(76,663)</u>	<u>2,680,489</u>
Functional expenses:			
Program services	1,893,661	-	1,893,661
Supporting services	1,412,047	-	1,412,047
Total costs and expenses	<u>3,305,708</u>	<u>-</u>	<u>3,305,708</u>
Change in net assets	(548,556)	(76,663)	(625,219)
Net assets at beginning of year	<u>6,404,145</u>	<u>119,634</u>	<u>6,523,779</u>
Net assets at end of year	<u><u>\$ 5,855,589</u></u>	<u><u>\$ 42,971</u></u>	<u><u>\$ 5,898,560</u></u>

The accompanying notes are an integral part of these financial statements

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services		Supporting Services			
	Instructional	Student Services	Management and General	Fundraising	Facilities and Maintenance	Total
Costs and expenses:						
Compensation and benefits	\$ 1,702,884	\$ 20,187	\$ 482,655	\$ 62,784	\$ 87,134	\$ 2,355,644
Contributions and assessments	595	-	5,813	-	-	6,408
Professional fees	1,046	-	60,731	60,488	10,075	132,340
Insurance and risk management	-	-	84,437	-	-	84,437
Supplies, repairs, maintenance, and other	20,958	70,702	89,441	47,003	24,874	252,978
Utilities	-	-	4,280	250	33,938	38,468
Interest and financing	-	-	3,484	-	-	3,484
Bad debt	-	-	8,502	-	-	8,502
Depreciation	30,574	-	356	-	257,764	288,694
Total costs and expenses	<u>\$ 1,756,057</u>	<u>\$ 90,889</u>	<u>\$ 739,699</u>	<u>\$ 170,525</u>	<u>\$ 413,785</u>	<u>\$ 3,170,955</u>

The accompanying notes are an integral part of these financial statements

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services		Supporting Services			
	Instructional	Student Services	Management and General	Fundraising	Facilities and Maintenance	Total
Costs and expenses:						
Compensation and benefits	\$ 1,744,337	\$ -	\$ 570,092	\$ -	\$ 70,475	\$ 2,384,904
Contributions and assessments	-	-	8,169	1,747	-	9,916
Professional fees	-	1,483	60,107	151,125	2,130	214,845
Insurance and risk management	-	-	619	-	83,582	84,201
Supplies, repairs, maintenance, and other	58,652	51,895	55,169	41,573	61,635	268,924
Utilities	-	-	7,110	-	38,118	45,228
Interest and financing	-	-	3,693	273	-	3,966
Depreciation	37,294	-	1,946	-	254,484	293,724
Total costs and expenses	<u>\$ 1,840,283</u>	<u>\$ 53,378</u>	<u>\$ 706,905</u>	<u>\$ 194,718</u>	<u>\$ 510,424</u>	<u>\$ 3,305,708</u>

The accompanying notes are an integral part of these financial statements

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ (180,915)	\$ (625,219)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	288,694	293,724
Loss on disposition of asset	5,783	-
Changes in operating assets and liabilities:		
Accounts receivable, tuition	(36,993)	18,984
Pledges receivable	(14,503)	(79,124)
Prepaid expenses and other assets	14,513	25,921
Accounts payable and accrued expenses	698	20,388
Deferred tuition revenue	(118,987)	41,709
Net cash used in operating activities	<u>(41,710)</u>	<u>(303,617)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>-</u>	<u>(46,778)</u>
Net cash used in investing activities	<u>-</u>	<u>(46,778)</u>
Cash flows from financing activities:	<u>-</u>	<u>-</u>
Net decrease in cash	(41,710)	(350,395)
Cash at beginning of year	<u>613,253</u>	<u>963,648</u>
Cash at end of year	<u><u>\$ 571,543</u></u>	<u><u>\$ 613,253</u></u>
<u>Supplemental Disclosures</u>		
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Taxes paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

St. Philip & St. Augustine Catholic Academy, Inc. (the Academy) (a Texas non-profit corporation) began its activities during 1955 and was formally incorporated on July 1, 2017. The Academy seeks to promote Gospel values, inspire a love of learning, and uphold academic excellence in a nurturing community. The philosophy of the Academy is to provide a safe and caring environment in which optimum learning takes place. As a Catholic elementary Academy, it strives to provide students with the highest standards of excellence in spiritual, academic, social, and physical development. Students are encouraged to develop fully in the spiritual, intellectual, physical, and emotional domains. The Academy believes that each child is a unique individual and strives to provide conditions that address their needs. The Academy acknowledges and supports the role of parents as the primary educators of their children. The Academy prepares students to think critically, integrate Gospel values, and learn the Catholic Church's mission and traditions, as reflected in the life and teachings of Jesus Christ.

Basis of Accounting and Financial Statements Presentation

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). Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Academy are classified and reported as follows:

- Net assets without donor restrictions - represent resources available for support of the Academy's operations that are not subject to donor-imposed restrictions.
- Net assets with donor restrictions - represent funds that are subject to donor restrictions which either expire with the passage of time, will be fulfilled for the intended purpose pursuant to those provisions, or are perpetual in nature.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Instruments

The Academy's financial instrument consists of cash, accounts receivable, tuition and pledges receivable. The recorded value of these instruments approximates fair value based on the short-term nature of these instruments.

Program Services

Instructional – The Academy provides students with access to Pre-Kindergarten through eighth grade classes, accredited teachers, instructional materials and other instructional supplies.

Student Services – The Academy integrates spiritual formation, artistic sensibility, and provides athletic opportunities for students, among other extracurricular activities.

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

For purposes of the statement of financial position, the Academy considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. As of June 30, 2025, the Federal Deposit Insurance Corporation provided insurance coverage for deposit accounts of up to \$250,000 per depositor per bank. The Academy's cash balances may at times exceed such coverage, however management believes it mitigates this risk through the use of high-quality financial institutions. As of June 30, 2025, certain of the Academy's cash balances were in excess of these insurance limitations.

Accounts Receivable, Tuition

Accounts receivable represents amounts due to the Academy from students and parents for tuition, fees, and other Academy-related activities. The Academy recognizes accounts receivable at their estimated realizable value, which is the amount expected to be collected.

The Academy maintains an allowance for credit losses to provide for estimated losses that may result from the inability of certain accounts to be collected. The allowance is based on historical collection trends, current economic conditions, individual account assessments and expected future losses. Adjustments to the allowance are made periodically to reflect changes in these factors. Accounts receivable are generally due within 30 days of the payment date. The Academy typically allows for receivables to be paid over time as part of its credit policies. The Academy has established policies and procedures for the collection of overdue accounts, which include sending reminders, contacting responsible parties, and, if necessary, taking further action to collect the amounts due. Receivables are written off when management determines that they are uncollectible, after all reasonable collection efforts have been exhausted. Write-offs are made in accordance with the Academy's policies and are recorded as an adjustment to the allowance for credit losses. As of June 30, 2025 and 2024, the Academy has recognized an allowance for credit losses of \$8,502 and \$-0-, respectively.

Pledges Receivable

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. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. As of June 30, 2025, the Academy has not recognized an allowance for doubtful accounts related to its recognized pledges receivable.

Deferred Tuition Revenue

Deferred income is recorded when the Academy receives payments for tuition and related fees before the start of the academic term or period for which the services will be rendered. Such amounts are initially recorded as a liability and are recognized as income over the period in which the services are performed.

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS

Property and Equipment

The Academy capitalizes property and equipment additions having a useful life of more than one year. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding its use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Academy reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Impairment of Long-Lived Assets

The Academy evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate possible impairment. If the carrying amount for the asset is not recoverable, an impairment loss is recorded to adjust the carrying amount of the asset and the adjusted carrying amount becomes the new cost basis. For a depreciable long-lived asset, the new cost basis will be depreciated over the remaining estimated useful life of the asset.

Revenue Recognition

Student tuition, enrollment and application fees, and student activity fees are accounted for under Accounting Standard Codification (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. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate.

Contributions

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.

Functional Allocation of Expenses

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

Advertising

The Academy uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the year ended June 30, 2025 and 2024, advertising costs were approximately \$3,400.

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS

Income Tax Status

The Academy is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

U.S. GAAP requires that the Academy recognize in its financial statements the financial effects of a tax position if that position is more likely than not of being sustained upon examination, including resolution of any appeals or litigation processes, based upon the technical merits of the tax position. The requirements also provide guidance on measurement, classification, interest and penalties and disclosure.

Tax positions taken related to the Academy's tax-exempt status, unrelated business activities taxable income and deductibility of expenses and other miscellaneous tax positions have been reviewed, and management is of the opinion that material positions taken would more likely than not be sustained by examination. There was no other uncertain tax positions identified. As of June 30, 2025, there were no interest or penalties related to income taxes recorded or included in the financial statements.

Recent Accounting Pronouncements

As of June 30, 2025, and through September 16, 2025, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Academy. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Academy's financial statements. The Academy will monitor these emerging issues to assess any potential future impact on its financial statements.

Subsequent Events

The Academy has evaluated subsequent events for recognition and disclosure through September 16, 2025, which is the date the financial statements were issued.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Academy's financial assets as of June 30, 2025, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

Financial assets:	
Cash	\$ 571,543
Accounts receivable, tuition	39,292
Pledges receivable	93,627
Total financial assets	<u>704,462</u>
Less amounts unavailable for general expenditures within one year, due to donor-imposed restrictions:	
Scholarships and instructional supplements	14,061
Capital campaign	323,383
Total amounts not available for use	<u>337,444</u>
Financial assets available to meet needs for general expenditure	<u>\$ 367,018</u>

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS

The Academy is principally supported by tuition and fees charged for the education it provides. The goal of the Academy is to maintain available financial assets to meet its next 90 days of operating expenses. The Academy strives to maintain liquid financial assets sufficient to cover near-term operating needs, and to maintain sufficient reserves to provide reasonable assurance that long-term obligations will be fulfilled. To achieve this, the Academy budgets its future cash flows and monitors its liquidity monthly. During the year ended June 30, 2025, the level of liquidity was managed within the Academy's expectations.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions is as follows:

	2025	2024
Scholarships and instructional supplements	\$ 14,061	\$ 7,971
Capital campaign	\$ 323,383	\$ 35,000

4. COMMITMENTS AND CONTINGENCIES

The Academy may at times be involved in legal proceedings arising in the normal course of its operations. Any potential outcomes of these proceedings, if any, are uncertain. The Academy is not presently involved in any such matters. Should such a matter arise, management will evaluate the merits of the matter to determine what effect, if any, such matter may have on the financial statements.

5. PROMISES TO GIVE

Promises to give as of June 30, 2025 and 2024, consist of the following:

Promises to give, June 30, 2023	\$ -
Contributions of promises	145,000
Payments received on promises	25,000
Write-offs	-
Subtotal	120,000
Less net present value adjustment	(40,876)
Promises to give, end of year	79,124
Amounts due in:	
Receivable within one year	34,000
Receivable in one to five years	86,000
Promises to give, June 30, 2024	120,000
Contributions of promises	20,000
Payments received on promises	(36,250)
Write-offs	-
Subtotal	103,750
Less net present value adjustment	(10,123)
Promises to give, end of year	93,627
Amounts due in:	
Receivable within one year	39,000
Receivable in one to five years	64,750
Promises to give, June 30, 2025	\$ 103,750

The Academy used a discount rate of 4.50% as of June 30, 2025 and 2024.

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS

6. REVENUE

Revenue from Tuition and Fees

Student tuition and fees are accounted for in accordance with ASC 606. Education provided during the academic year is considered the primary performance obligation and, thus, tuition is recorded ratably over the course of the Academy's year as increases in net assets without restrictions, net of applicable discounts. Registration and application fees are considered to have a point in time performance obligation which is met upon enrollment and registration. Tuition and fees received in advance are deferred until the applicable Academy term and are recorded as performance obligations 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.

Financial aid and scholarships for tuition 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 academic year as education is provided.

As of June 30, 2025, there were \$89,633 of performance obligations to be satisfied, all of which is expected to be recognized as revenue during the fiscal year ending June 30, 2026.

Contributions, Subsidies and Support

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

Disaggregated Revenue

A summary of disaggregated revenue information follows:

	<u>2025</u>	<u>2024</u>
Tuition, net of discounts	\$ 1,979,736	\$ 1,929,488
Enrollment and application fees	<u>268,141</u>	<u>205,748</u>
Total revenue from tuition and fees, net	2,247,877	2,135,236
Contributions	480,100	202,506
Fundraising and special events	<u>248,224</u>	<u>315,607</u>
Total contributions, subsidies and support	728,324	518,113
Investment income	13,839	27,140
Total revenue and other support	<u>\$ 2,990,040</u>	<u>\$ 2,680,489</u>

Contract Balances

Contract assets

Receivable from contracts, beginning of year	\$ 81,423	\$ 21,663
Receivable from contracts, end of year	\$ 132,919	\$ 81,423

Contract liabilities

Performance obligation liabilities, beginning of year	\$ 208,619	\$ 93,810
Performance obligation liabilities, end of year	\$ 89,633	\$ 208,619

ST. PHILIP & ST. AUGUSTINE CATHOLIC ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS

7. RELATED PARTY TRANSACTIONS

Diocese of Dallas

The Academy participates in a defined contribution retirement plan (the Plan), which is administered by the Roman Catholic Diocese of Dallas 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 regulations. The Academy's contributions to the Plan on behalf of the employees were approximately \$47,500 and \$50,500 for the years ended June 30, 2025 and 2024, respectively.

Health and life insurance for the Academy's employees are provided under the plans administered by the Roman Catholic Diocese of Dallas. Expenses related to total insurance premiums during the year ended June 30, 2025 and 2024, were approximately \$383,000 and \$385,000, respectively.

St. Philip the Apostle Catholic Parish

St. Philip the Apostle Catholic Parish (the Parish), an entity under common control with the Academy, leases its facilities to the Academy. The Parish provides the use of these facilities, through fiscal 2037, for a nominal annual fee. As such, the use of these facilities represents a promise to give and is required to be recognized as an asset estimated using market lease rates discounted to its present value. The Academy has recorded this promise to give within 'building and building improvements' on the accompany statements of financial position. As of June 30, 2025 and 2024, the unamortized balance of this promise to give was approximately \$5,012,000 and 5,263,000, respectively.