

AQUINAS COLLEGE

FINANCIAL STATEMENTS

Years Ended June 30, 2021 and June 30, 2020



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Aquinas College
Nashville, Tennessee

We have audited the accompanying financial statements of Aquinas College (a nonprofit organization), 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aquinas College 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.

Grannis & Associates, P.C.

Murfreesboro, Tennessee
September 14, 2021

AQUINAS COLLEGE
STATEMENT OF FINANCIAL POSITION
June 30, 2021 and 2020

ASSETS

	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current Assets:			
Cash	\$ 384,810	\$ 616,722	\$ 1,001,532
Prepaid expenses	30,572	-	30,572
Total Current Assets	415,382	616,722	1,032,104
Property and equipment, net	11,880,613	-	11,880,613
Long-term investments	388,964	5,529,751	5,918,715
Total Assets	\$ 12,684,959	\$ 6,146,473	\$ 18,831,432

LIABILITIES AND NET ASSETS

Current Liabilities:			
Accounts payable and accrued expenses	\$ 62,303	\$ -	\$ 62,303
Deferred revenues and student deposits	35,341	-	35,341
Total Current Liabilities	97,644	-	97,644
Total Liabilities	97,644	-	97,644
Net Assets	12,587,315	6,146,473	18,733,788
Total Liabilities and Net Assets	\$ 12,684,959	\$ 6,146,473	\$ 18,831,432

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

ASSETS

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets:			
Cash	\$ 242,189	\$ 740,632	\$ 982,821
Accounts receivable, net	599	-	599
Prepaid expenses	39,686	-	39,686
Total Current Assets	282,474	740,632	1,023,106
Property and equipment, net	12,204,789	-	12,204,789
Long-term investments	321,338	4,535,767	4,857,105
Total Assets	\$ 12,808,601	\$ 5,276,399	\$ 18,085,000

LIABILITIES AND NET ASSETS

Current Liabilities:			
Accounts payable and accrued expenses	\$ 240,334	\$ -	\$ 240,334
Deferred revenues and student deposits	81,240	-	81,240
Total Current Liabilities	321,574	-	321,574
Long-Term Liabilities:			
Note payable	117,049	-	117,049
Total Liabilities	438,623	-	438,623
Net Assets	12,369,978	5,276,399	17,646,377
Total Liabilities and Net Assets	\$ 12,808,601	\$ 5,276,399	\$ 18,085,000

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

AQUINAS COLLEGE
STATEMENT OF ACTIVITIES
For the Years Ended June 30, 2021 and June 30, 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues, Gains, and Reclassifications</u>			
Gross tuition and fees	\$ 1,209,558	\$ -	\$ 1,209,558
Less: scholarship allowance	(302,829)	-	(302,829)
Net Tuition and Fees	<u>906,729</u>	<u>-</u>	<u>906,729</u>
Private gifts and grants	1,064,965	43,861	1,108,826
Donated services and facilities	711,673	-	711,673
Government grants	117,049	-	117,049
Catechetical formation and workshops	106,236	-	106,236
Investment income, net	82,578	1,133,649	1,216,227
Loss on disposal of fixed assets	(93,601)	-	(93,601)
Other revenue	11,856	-	11,856
Total Revenues and Gains	<u>2,907,485</u>	<u>1,177,510</u>	<u>4,084,995</u>
Net assets released from restrictions	307,436	(307,436)	-
Total Revenues, Gains and Reclassifications	<u>3,214,921</u>	<u>870,074</u>	<u>4,084,995</u>
<u>Expenses</u>			
Program:			
Educational activities	1,839,655	-	1,839,655
Student services	31,694	-	31,694
Support:			
Support activities	1,126,235	-	1,126,235
Total Expenses	<u>2,997,584</u>	<u>-</u>	<u>2,997,584</u>
Change in Net Assets	217,337	870,074	1,087,411
Net Assets, Beginning of Year	12,369,978	5,276,399	17,646,377
Net Assets, End of Year	<u>\$ 12,587,315</u>	<u>\$ 6,146,473</u>	<u>\$ 18,733,788</u>

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

2020			
	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues, Gains, and Reclassifications</u>			
Gross tuition and fees	\$ 1,439,695	\$ -	\$ 1,439,695
Less: scholarship allowance	(342,679)	-	(342,679)
Net Tuition and Fees	<u>1,097,016</u>	<u>-</u>	<u>1,097,016</u>
Private gifts and grants	282,228	1,529,840	1,812,068
Donated services and facilities	749,575	-	749,575
Catechetical formation and workshops	101,499	-	101,499
Investment income, net	18,138	252,711	270,849
Other revenue	942	-	942
Total Revenues and Gains	<u>2,249,398</u>	<u>1,782,551</u>	<u>4,031,949</u>
Net assets released from restrictions	<u>1,996,605</u>	<u>(1,996,605)</u>	<u>-</u>
Total Revenues, Gains and Reclassifications	<u>4,246,003</u>	<u>(214,054)</u>	<u>4,031,949</u>
<u>Expenses</u>			
Program:			
Educational activities	2,004,331	-	2,004,331
Student services	36,761	-	36,761
Support:			
Support activities	<u>1,231,851</u>	<u>-</u>	<u>1,231,851</u>
Total Expenses	<u>3,272,943</u>	<u>-</u>	<u>3,272,943</u>
Change in Net Assets	973,060	(214,054)	759,006
Net Assets, Beginning of Year	<u>11,396,918</u>	<u>5,490,453</u>	<u>16,887,371</u>
Net Assets, End of Year	<u>\$ 12,369,978</u>	<u>\$ 5,276,399</u>	<u>\$ 17,646,377</u>

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

AQUINAS COLLEGE
STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2021 and 2020

	2021			
	Program		Support	
	Educational Activities	Student Services	Support Activities	Total Expenses
Salaries	\$ 1,210,445	\$ 8,959	\$ 683,988	\$ 1,903,392
Depreciation	181,501	2,750	90,751	275,002
Repairs and maintenance	183,205	1,519	84,839	269,563
Utilities	82,799	1,255	50,721	134,775
Payroll taxes and benefits	59,747	442	58,801	118,990
Insurance	44,934	681	29,672	75,287
Supplies	47,597	333	9,993	57,923
Contracted services	-	-	47,924	47,924
Other	29,427	15,755	69,546	114,728
	<u>\$ 1,839,655</u>	<u>\$ 31,694</u>	<u>\$ 1,126,235</u>	<u>\$ 2,997,584</u>

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

2020				
	Program		Support	Total Expenses
	Educational Activities	Student Services	Support Activities	
Salaries	\$ 1,317,650	\$ 11,237	\$ 673,096	\$ 2,001,983
Depreciation	316,971	4,803	158,486	480,260
Repairs and maintenance	109,072	750	62,269	172,091
Utilities	81,987	1,242	51,917	135,146
Payroll taxes and benefits	64,209	547	55,388	120,144
Interest expense	-	-	66,225	66,225
Insurance	38,412	582	24,992	63,986
Supplies	44,293	302	14,305	58,900
Contracted services	-	-	48,515	48,515
Other	31,737	17,298	76,658	125,693
	<u>\$ 2,004,331</u>	<u>\$ 36,761</u>	<u>\$ 1,231,851</u>	<u>\$ 3,272,943</u>

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

AQUINAS COLLEGE
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

<u>Cash Flows from Operating Activities</u>	<u>2021</u>	<u>2020</u>
(Decrease) Increase in net assets	\$ 1,087,411	\$ 759,006
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	275,002	480,260
Payroll Protection Program Loan converted to a grant	(117,049)	-
Loss on disposal of fixed assets	93,601	-
Change in allowance for doubtful accounts	-	(5,594)
Change in pledge discount	-	(6)
Net realized (gains) losses on investments	(91,964)	(25,828)
Net unrealized (gains) losses on investments	(1,039,230)	(140,316)
Change in assets and liabilities:		
(Increase) Decrease in accounts receivable	599	5,080
(Increase) Decrease in unconditional promises to give	-	700
(Increase) Decrease in prepaid expenses	9,114	(8,099)
(Decrease) Increase in accounts payable and accrued expenses	(178,031)	190,324
(Decrease) Increase in deferred revenues	(45,899)	(14,541)
Net Cash (Used) Provided By Operating Activities	<u>(6,446)</u>	<u>1,240,986</u>
<u>Cash Flows from Investing Activities</u>		
Purchases of property and equipment	(44,426)	(342,371)
Purchases of investments	(798,417)	(102,745)
Proceeds on sales of investments	868,000	200,000
Net Cash Provided (Used) By Investing Activities	<u>25,157</u>	<u>(245,116)</u>
<u>Cash Flows from Financing Activities</u>		
Borrowings on note payable	-	117,049
Principal payments on note	-	(1,457,463)
Net Cash Used By Financing Activities	<u>-</u>	<u>(1,340,414)</u>
Net Increase (Decrease) in Cash and Restricted Cash	18,711	(344,544)
Cash and Restricted Cash at Beginning of Year	982,821	1,327,365
Cash and Restricted Cash at End of Year	<u>\$ 1,001,532</u>	<u>\$ 982,821</u>
<u>Supplemental Disclosure of Cash Flow</u>		
Interest paid	<u>\$ -</u>	<u>\$ 66,225</u>
<u>Noncash Financing Activities</u>		
Paycheck Protection Program Loan converted to a government grant	<u>\$ 117,049</u>	<u>\$ -</u>

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