AQUINAS COLLEGE

FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

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GRANNIS & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Aquinas College
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Aquinas College (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 Aquinas College as of June 30, 2022 and 2021, 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 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 Aquinas College 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 Aquinas College'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 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 judgement 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 Aquinas College'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Aquinas College'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.

Grannis & Associates, P. C.

Murfreesboro, Tennessee
October 18, 2022

AQUINAS COLLEGE
STATEMENT OF FINANCIAL POSITION
June 30, 2022 and 2021

ASSETS

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets:			
Cash	$ 1,113,881	$ 821,942	$ 1,935,823
Accounts receivable	18,335	-	18,335
Prepaid expenses	37,951	-	37,951
Total Current Assets	1,170,167	821,942	1,992,109
Property and equipment, net	11,668,779	-	11,668,779
Long-term investments	-	4,693,889	4,693,889
Total Assets	$ 12,838,946	$ 5,515,831	$ 18,354,777

LIABILITIES AND NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
Current Liabilities:			
Accounts payable and accrued expenses	$ 152,515	$ -	$ 152,515
Deferred revenues and student deposits	34,960	-	34,960
Total Current Liabilities	187,475	-	187,475
Total Liabilities	187,475	-	187,475
Net Assets	12,651,471	5,515,831	18,167,302
Total Liabilities and Net Assets	$ 12,838,946	$ 5,515,831	$ 18,354,777

ASSETS

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
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

	Without Donor Restrictions	With Donor Restrictions	Total
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

AQUINAS COLLEGE
STATEMENT OF ACTIVITIES
For the Years Ended June 30, 2022 and 2021

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Reclassifications			
Gross tuition and fees	$ 1,315,047	$ -	$ 1,315,047
Less: scholarship allowance	(236,097)	-	(236,097)
Net Tuition and Fees	1,078,950	-	1,078,950
Private gifts and grants	823,918	235,633	1,059,551
Donated services and facilities	741,521	-	741,521
Catechetical formation and workshops	131,251	-	131,251
Investment income (loss), net	21,903	(620,426)	(598,523)
Loss on disposal of fixed assets	(19,442)	-	(19,442)
Rental income	47,475	-	47,475
Other revenue	551	-	551
Total Revenues and Gains	2,826,127	(384,793)	2,441,334
Net assets released from restrictions	245,849	(245,849)	-
Total Revenues, Gains and Reclassifications	3,071,976	(630,642)	2,441,334
Expenses			
Program:			
Educational activities	1,751,310	-	1,751,310
Student services	57,512	-	57,512
Support:			
Support activities	1,198,998	-	1,198,998
Total Expenses	3,007,820	-	3,007,820
Change in Net Assets	64,156	(630,642)	(566,486)
Net Assets, Beginning of Year	12,587,315	6,146,473	18,733,788
Net Assets, End of Year	$ 12,651,471	$ 5,515,831	$ 18,167,302

See independent auditor's report and accompanying notes to the financial statements

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Reclassifications			
Gross tuition and fees	$ 1,209,558	$ -	$ 1,209,558
Less: scholarship allowance	(302,829)	-	(302,829)
Net Tuition and Fees	906,729	-	906,729
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	2,907,485	1,177,510	4,084,995
Net assets released from restrictions	307,436	(307,436)	-
Total Revenues, Gains and Reclassifications	3,214,921	870,074	4,084,995
Expenses			
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	2,997,584	-	2,997,584
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	$ 12,587,315	$ 6,146,473	$ 18,733,788

AQUINAS COLLEGE
STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2022 and 2021

	2022			
	Program		Support	
	Educational Activities	Student Services	Support Activities	Total Expenses
Salaries	$ 757,387	$ 35,783	$ 247,371	$ 1,040,541
Salaries (contributed services)	314,322	-	427,124	741,446
Payroll taxes and benefits	49,926	1,664	54,424	106,014
Repairs and maintenance	226,740	2,542	148,077	377,359
Depreciation	161,193	2,442	80,596	244,231
Utilities	95,144	1,442	57,783	154,369
Insurance	46,525	705	35,697	82,927
Other	100,073	12,934	147,926	260,933
	$ 1,751,310	$ 57,512	$ 1,198,998	$ 3,007,820

	2021			
	Program		Support	
	Educational Activities	Student Services	Support Activities	Total Expenses
Salaries	$ 933,302	$ 8,959	$ 262,273	$ 1,204,534
Salaries (contributed services)	277,143	-	421,715	698,858
Payroll taxes and benefits	59,747	442	58,801	118,990
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
Insurance	44,934	681	29,672	75,287
Other	77,024	16,088	127,463	220,575
	$ 1,839,655	$ 31,694	$ 1,126,235	$ 2,997,584

AQUINAS COLLEGE
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2022 and 2021

Cash Flows from Operating Activities	2022	2021
(Decrease) Increase in net assets	$ (566,486)	$ 1,087,411
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	244,231	275,002
Payroll Protection Program Loan converted to a grant	-	(117,049)
Loss on disposal of fixed assets	19,442	93,601
Net realized (gains) losses on investments	(172,550)	(91,964)
Net unrealized (gains) losses on investments	856,897	(1,039,230)
Change in assets and liabilities:		
(Increase) Decrease in accounts receivable	(18,335)	599
(Increase) Decrease in prepaid expenses	(7,379)	9,114
(Decrease) Increase in accounts payable and accrued expenses	90,212	(178,031)
(Decrease) Increase in deferred revenues	(381)	(45,899)
Net Cash (Used) Provided By Operating Activities	445,651	(6,446)
Cash Flows from Investing Activities		
Purchases of property and equipment	(51,839)	(44,426)
Purchases of investments	(778,640)	(798,417)
Proceeds on sales of investments	1,319,119	868,000
Net Cash Provided (Used) By Investing Activities	488,640	25,157
Net Increase (Decrease) in Cash and Restricted Cash	934,291	18,711
Cash and Restricted Cash at Beginning of Year	1,001,532	982,821
Cash and Restricted Cash at End of Year	$ 1,935,823	$ 1,001,532
Noncash Financing Activities		
Paycheck Protection Program Loan converted to a government grant	$ -	$ 117,049

See independent auditor's report and accompanying notes to the financial statements

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Aquinas College (the "College") is a private Catholic institution of higher education. Chartered on June 24, 1970 in Tennessee as a nonprofit corporation, the College has been in continuous operations since that time. The College offers an academically challenging liberal arts and sciences curriculum, and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.

The College is part of the Dominican Campus and is located on 83 wooded acres in Nashville, Tennessee. The College is owned and administered by the Dominican Sisters of St. Cecilia Congregation. The Dominican Sisters have been educating children, youth and adults of Nashville for over 150 years, leading students to a deeper knowledge of their faith, their heritage, and their responsibilities as members of society.

The College focuses its academic program on the School of Education and arts and sciences. It offers programs, workshops and faculty formation for dioceses and schools through its centers.

The College estimates that 75% to 85% of the College's sources of revenues and cash flows are received from a single source, the Dominican Sisters of St. Cecilia Congregation.

This summary of significant accounting policies of the College is presented to assist in understanding the College's financial statements. The financial statements and notes are representations of the College's management who is responsible for their integrity and objectivity.

Basis of Presentation

The financial statements of the College have been prepared in accordance with accounting principles generally accepted in the United States of America. These financial statements, presented on the accrual basis of accounting, have been prepared to focus on the College as a whole, and present balances and transactions classified according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and activities into two classes: net assets without donor restrictions and net assets with donor restrictions.

Classification of Net Assets

The accompanying financial statements have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purpose by actions of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Net assets with donor restrictions are subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time to be maintained permanently by the College. Generally, the donors of such assets permit the College to use all or part of the income earned on the assets. Such assets primarily include the College's general and scholarship endowments.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less, except for investments purchased with endowment assets, which are classified as long-term investments.

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 the College.

Unemployment Compensation

The College is exempt for unemployment compensation purposes.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. 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. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Income taxes

The College qualifies as a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the College qualifies for the charitable contribution deduction and has been classified by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code.

The Financial Accounting Standards Board issued ASC 740-10, which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The College believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The College's federal Returns of Organization Exempt From Income Tax (Form 990) are subject to examination by the IRS, generally for three years after they were filed.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Equipment, buildings, and improvements are recorded at cost or at estimated fair market value at date of gift if donated. Depreciation is computed on the straight-line method over the estimated useful lives of the assets (5 to 75 years). Depreciation expense for the years ended June 30, 2022 and 2021, was $244,231 and $275,002, respectively.

The College capitalizes all expenditures for equipment, buildings, and improvements with a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

Investments

Investments in marketable equity and debt securities are stated at published market quotations. Investments in certificates of deposit or money market accounts are stated at cost, which approximates fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investment earnings are presented net of investment fees.

Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with investments, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the statement of financial position.

Dividends and interest earned on investments are recorded on the accrual basis.

The College maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated quarterly to the individual endowments based on the relationship of the fair value of the interest of each individual endowment fund to the total fair value of the pooled investments, as computed using a weighted average that reflects additions to or deductions from those accounts.

Advertising

The College follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was $6,883 and $8,488 for the years ended June 30, 2022 and 2021, respectively.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as support without donor restrictions unless the donor restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions.

Revenue Recognition

The College recognizes revenue for tuition and fees, workshop income, and rent income over the applicable academic term or as the services were performed. Scholarships provided to the students are reflected as a reduction of gross tuition and fees. Tuition and fees received in advance of services are reported as deferred revenue in the statement of financial position.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

The College's receivables represent unconditional rights to consideration from its contract with students. Typically, once a student is invoiced for tuition, payment is due immediately.

The College's contract liabilities are presented as deferred revenue in the statement of financial position. Deferred revenue in any period represents the excess of tuition, fees, and other student payments received over amounts recognized as revenue on the statement of activities. The College's education programs have starting and ending dates that differ from its fiscal year. Therefore, at the end of the fiscal year, a portion of revenue from these programs is not yet earned. The College does not present information about outstanding performance obligations as of year end because its contracts with students all have original terms of less than one year.

Accounts receivable and deferred revenue from contracts with customers are summarized as follows:

June 30, 2022	Accounts Receivable	Deferred Revenue
Beginning of year	$ -	$ 35,341
End of year	18,335	34,960

June 30, 2021	Accounts Receivable	Deferred Revenue
Beginning of year	$ 599	$ 81,240
End of year	-	35,341

The College maintains an institutional tuition refund policy, which provides for all or a portion of tuition and fees to be refunded if a student withdraws during the stated refundable period.

The College had no costs that were capitalized to obtain or fulfill a contract with a student.

Expense Allocation

The cost of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time spent performing assigned duties in each functional category. Other expense items are allocated on the basis of estimates of actual usage within each functional category.

Educational activities include expenses for all activities that are part of the institution's instructional program such as expenses for academic, vocational, and technical instruction; tutorial instruction; regular, special, and extension sessions, and academic support.

Student services are considered programmatic and include activities that, as their primary purpose, contribute to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. This category also includes expenses incurred for offices of admissions, student financial services, and the registrar.

Support activities include centralized expenses incurred to provide support services for the institution's primary mission and program functions. This category includes the College's fundraising activities as well as executive management, fiscal operations, general administration and central technology.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents and unconditional promises to give to be received in less than one year approximate fair value because of the short maturity of those financial instruments. The fair value of unconditional promises to give to be received in more than one year is determined based on future cash flows discounted at 3.25%.

The College's financial instruments are summarized as follows:

	Carrying Amount	Fair Value
Financial assets:		
June 30, 2022		
Cash	$ 1,935,823	$ 1,935,823
June 30, 2021		
Cash	$ 1,001,532	$ 1,001,532

NOTE B - ACCOUNTS RECEIVABLE

The majority of the College's accounts receivables are due from participants in workshops or rental services and are less than 30 days old. Accounts outstanding longer than the contractual payment terms are considered past due. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. The College determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the College's previous loss history, and the individual student's or Organizations current ability to pay its obligation to the College. For the years ended June 30, 2022 and 2021, management considered the accounts receivable balance to be fully collectible.

NOTE C - COMMUNITY FOUNDATION FUND

The College is the beneficiary of a fund created by a donor, the assets of which are not in the possession of the College. The Community Foundation has ultimate authority and control over the fund. The donor suggests that the return on the fund as determined under The Foundation's Total Return Concept and Spending Policy be paid to the College no less often than annually. In the event that Aquinas College ceases to exist or discontinues its provision of training for an undergraduate degree in education, the Foundation, should redirect the proceeds of this fund to the closest charitable program. The fair value of the fund at June 30, 2022 and 2021, was $802,977 and $960,791, respectively.

NOTE D - CONCENTRATION OF CREDIT RISK

The College maintains its operating cash balances in various financial institutions and brokerage accounts. Some account balances at the financial institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2022 and 2021, the College's uninsured cash balances total $497,635 and $598,692, respectively.

NOTE E - OPERATING LEASE OBLIGATIONS

The College has a lease agreement for copier equipment. The lease currently calls for monthly rental payments with additional charges per copy.

For the years ended June 30, 2022 and 2021, the total copier expense was approximately $13,052 and $12,007, respectively.

Future minimum lease payments are as follows:

Year Ending June 30,	Amount
2023	$ 3,256

NOTE F - RETIREMENT PLAN

Aquinas College maintains a defined contribution 403(b) Plan (the Plan) for all eligible employees. All full-time employees are eligible to participate in the Plan regardless of years of service. The Plan encompasses eligible employees of the affiliated entities of St. Cecilia Congregation, Saint Cecilia Academy, Overbrook School, Saint Rose Academy and The Dominican Campus. Participants may make voluntary contributions up to the maximum amount allowable by law under the terms of the Plan. Aquinas College is required to make a mandatory matching contribution to the Plan of up to 1% for those eligible employees with 1 year of service, up to 2% for 2 years and up to 3% for those with 3 or more years of service. During the 2022 and 2021 fiscal years, $7,118 and $7,324 was deposited into participants accounts from unrestricted College resources, respectively. The Plan is a non electing church plan; therefore, as defined under section 4(b)(2) of ERISA, the Plan is exempt from ERISA Title 1 disclosure requirement.

NOTE G - DONATED SERVICES AND FACILITIES

The College received gifts-in-kind for the years ended June 30:

	2022	2021
Contributed services	$ 741,446	$ 698,858
Aquinas Center supplies	75	12,815
	$ 741,521	$ 711,673

For the years ended June 30, 2022 and 2021, the services contributed to the College by the religious members of the faculty and staff had a fair value of $741,446 and $698,858, respectively. The calculation of contributed services is based on comparable compensation obtained from surveys from the Chronicle of Higher Education of similar colleges and universities less actual cash stipends paid on behalf of the religious members of the College.

All gifts-in-kind received by the College for the years ended June 30, 2022 and 2021, were considered without donor restrictions and able to be used by the College as determined by the board of directors and management.

NOTE H - INVESTMENTS

Equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the statement of financial position. Gains and losses are included in the change in net assets in the accompanying statement of activities. Investments in stocks and bonds, which are listed on national securities exchanges, quoted on NASDAQ or on the over-the-counter market are valued at the last reported sales price, or in the absence of a recorded sale, at the value between the most recent bid and asked prices. Investments without readily determinable fair values are carried at estimated fair value. Gains and losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations.

FASB ASC 820-10 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market prices observability used in measuring fair value.

This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level I - Quoted market prices are available in active market for identical assets or liabilities as of the reporting date.

Level II - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level II input could result in the Level II measurement becoming a Level III measurement.

Level III - Pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following is the fair value measurement of investments measured on a recurring basis:

June 30, 2022	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level I)
Cash	$ 100,308	$ 100,308
Fixed income	1,613,248	1,613,248
Mutual funds	2,980,333	2,980,333
Total assets	$ 4,693,889	$ 4,693,889

NOTE H - INVESTMENTS (continued)

June 30, 2021	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level I)
Cash	$ 352,484	$ 352,484
Fixed income	1,733,473	1,733,473
Mutual funds	3,832,758	3,832,758
Total assets	$ 5,918,715	$ 5,918,715

Investments have been allocated to the net asset classification for presentation in the statement of financial position. Investments consist of the following as of June 30:

	2022 Fair Value	2021 Fair Value
Without donor restrictions	$ -	$ 388,964
With donor restrictions	4,693,889	5,529,751
	$ 4,693,889	$ 5,918,715

Investment income, net is composed of the following:		
Unrealized gains (losses) on marketable securities	$ (856,897)	$ 1,039,230
Realized gains (losses) on marketable securities	172,550	91,964
Dividends and interest income	85,824	85,033
	$ (598,523)	$ 1,216,227

NOTE I - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following as of June 30:	2022	2021
Operations	$ 400,943	$ 317,738
Plant assets	11,668,779	11,880,613
Board designated	581,749	388,964
	$ 12,651,471	$ 12,587,315
Net assets without donor restrictions exclusive of plant consist of:		
Operations	$ 400,943	$ 317,738
Board designated	581,749	388,964
	$ 982,692	$ 706,702

NOTE J - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes and periods ended June 30:

Subject to expenditure for specific purpose:	2022	2021
Financial aid	$ 414,748	$ 417,748
Other education related	245,398	135,452
Programs through the centers	21,539	22,217
Facility related expenses	140,257	41,305
Investments in perpetuity, which once appropriated, are expendable for the following endowments:		
General endowment (original gift $1,096,179)	1,929,319	2,282,485
Scholarship endowment (original gift $1,570,727)	2,764,570	3,247,266
	$ 5,515,831	$ 6,146,473

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors during fiscal years ended June 30:

Purpose restrictions accomplished:	2022	2021
Financial aid	$ 3,000	$ 12,684
Other education related	54	5,097
Programs through centers	678	3,992
Facility related expenses	18,597	78,063
Release of appropriated endowment amounts with purpose restrictions:		
General endowment	96,583	91,650
Scholarship endowment	126,937	115,950
	$ 245,849	$ 289,655

NOTE K - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment - at cost, less accumulated depreciation as of June 30:

	2022	2021
Buildings	$ 14,973,390	$ 15,026,247
Building and land improvements	699,327	847,393
Equipment and furnishings	424,347	728,645
	16,097,064	16,602,285
Less accumulated depreciation	4,428,285	4,721,672
	$ 11,668,779	$ 11,880,613

Legal title in all land occupied by the College is vested in St. Cecilia Congregation.

Included in property and equipment is Siena Hall that the College uses for seminars, workshops and other events as needed. The net book value of Siena Hall at June 30, 2022 and 2021, was $10,247,364 and $10,395,876, respectively.

NOTE L - SCHOLARSHIP ALLOWANCE

Scholarship allowance by classification, was as follows for the years ended June 30:

Scholarships:	2022	2021
Dominican Sisters	$ 167,237	$ 199,143
Lay Students	68,860	103,686
	$ 236,097	$ 302,829

NOTE M - CONCENTRATION OF CONTRIBUTIONS

The College received in the years ended June 30, 2022 and 2021, approximately 29% and 37% of its revenues and gains without donor restrictions from private gifts and grants. A change in the amount of gifts and grants received would ultimately affect operating results.

NOTE N - RELATED PARTY

The Dominican Sisters of St. Cecilia Congregation are a Catholic pontifical congregation located in Nashville, Tennessee, founded in 1860. The Congregation owns and administers various academic institutions and administers and staffs other diocesan or independent schools across the United States and overseas providing students an education based in Christian principles and tradition. The St. Cecilia Congregation owns and operates certain educational institutions and convents which it both controls and has an economic interest. These financial statements only include the activities of the College.

The St. Cecilia Congregation operates three schools (Overbrook School, St. Cecilia Academy and Aquinas College) located on the Dominican Campus. The Congregation has determined that certain administration functions should be shared by all three schools. Aquinas College paid $281,571 and $276,780 during the years ended June 30, 2022 and 2021, for salaries, contracted services, landscaping, waste removal, utilities and bank fees.

NOTE O - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The College manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The College maintains current financial assets less current liabilities at a minimum of 30 days operating expenses. The College targets a year-end balance of reserves of net assets without donor restrictions and undesignated net assets to meet 15 to 30 days of expected expenditures. To achieve these targets, the College forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the years ended June 30, 2022 and 2021, the level of liquidity and reserves was managed according to these principles.

NOTE O - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 and 2021, comprise the following:

	2022 Reported Amount	2021 Reported Amount
Financial Assets:		
Cash and cash equivalents	$ 1,935,823	$ 1,001,532
Accounts receivable, net	18,335	-
Long-term investments	4,693,889	5,918,715
	6,648,047	6,920,247
Less amounts that are not available for general expenditure:		
Donor-restricted endowments	(4,693,889)	(5,529,751)
Restricted by donor, for various purposes	(821,942)	(616,722)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,132,216	$ 773,774

NOTE P - ENDOWMENT

The College's endowment consists of approximately 23 donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based upon the existence or absence of donor imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the State of Tennessee, 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. UPMIFA provides legal guidance and authority concerning the management and investment of endowment funds and imposes fiduciary duties on those who manage and invest endowment funds. UPMIPA states that in the absence of a statement to the contrary in the gift instrument that establishes an endowment fund, the assets in the endowment fund are donor-restricted assets until appropriated for expenditure by the Board of Directors. Therefore, the College classifies the net assets of endowment funds created by donors as net assets with donor restrictions because those net assets are time restricted until appropriated. Most of the endowment funds are also restricted as to use because the donors specified purposes for which the endowment must be used.

The law assumes that endowment funds will be managed to exist and grow in perpetuity and to provide a distribution each year for the donor's stipulated purpose(s), unless the donor stipulates to the contrary. As a result, if the fair value of an individual fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the donor stipulations in the gift instrument, the College considers the fund to be underwater. The College does not spend from underwater funds; instead it reinvests the income of the fund until the fund is no longer underwater. No deficiencies of this nature are reported as of June 30, 2022 and 2021.

NOTE P - ENDOWMENT (continued)

In accordance with UPMIFA, the College 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 the College 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 available to the College
(7) The investment policies of the College

The College's endowments by net asset class at June 30, 2022 and 2021, in total and by type of endowment fund, showing donor-restricted endowment funds separately from board designated endowment funds are as follows:

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted general endowment funds	$ -	$ 1,929,319	$ 1,929,319
Donor-restricted scholarship endowment funds	-	2,764,570	2,764,570
Total funds	$ -	$ 4,693,889	$ 4,693,889

	June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted general endowment funds	$ -	$ 2,282,485	$ 2,282,485
Donor-restricted scholarship endowment funds	-	3,247,266	3,247,266
Total funds	$ -	$ 5,529,751	$ 5,529,751

Changes in endowment assets for the years ended June 30, 2022 and 2021, are as follows:

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets, June 30, 2021	$ -	$ 5,529,751	$ 5,529,751
Dividend and interest income (during year)	-	81,375	81,375
Net appreciation (depreciation) (realized and unrealized)	-	(701,801)	(701,801)
Contributions and additions to endowments	-	8,084	8,084
Appropriation of endowment assets for expenditure	-	(96,583)	(96,583)
Appropriation of scholarship endowment assets for expenditure	-	(126,937)	(126,937)
Endowment assets, June 30, 2022	$ -	$ 4,693,889	$ 4,693,889

NOTE P - ENDOWMENT (continued)

At June 30, 2022, the endowment fund is composed of:

Amounts required to be invested in perpetuity (including amounts above the original gift amount of $1,096,179, which once appropriated, are expendable to support any activities of the organization).	$ 1,929,319
Amounts required to be invested in perpetuity (including amounts above the original gift amount of $1,570,727 which once appropriated, are expendable for scholarships).	2,764,570
	$ 4,693,889

	June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets, June 30, 2020	$ -	$ 4,535,767	$ 4,535,767
Dividend and interest income (during year)	-	79,799	79,799
Net appreciation (depreciation) (realized and unrealized)	-	1,053,810	1,053,810
Contributions and additions to endowments	-	2,200	2,200
Transfer to corpus scholarship endowment	-	65,775	65,775
Appropriation of endowment assets for expenditure	-	(91,650)	(91,650)
Appropriation of scholarship endowment assets for expenditure	-	(115,950)	(115,950)
Endowment assets, June 30, 2021	$ -	$ 5,529,751	$ 5,529,751

At June 30, 2021, the endowment fund is composed of:

Amounts required to be invested in perpetuity (including amounts above the original gift amount of $1,096,179, which once appropriated, are expendable to support any activities of the organization).	$ 2,282,485
Amounts required to be invested in perpetuity (including amounts above the original gift amount of $1,562,643, which once appropriated, are expendable for scholarships).	3,247,266
	$ 5,529,751

Endowment - Return Objectives and Risk Parameters

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period(s) as well as board designated funds. The College expects its endowment funds, over time, to provide an average rate of return of approximately 7 percent annually. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that normally places an emphasis on equity-based and income-based investments to achieve its long-term return objectives within prudent risk constraints.

NOTE P - ENDOWMENT (continued)

Endowment Spending Policy - General Endowment

The College has adopted a policy of appropriating for distribution each year a maximum of 5 percent of the endowment fund's average fair value over the 3 preceding calendar year end fund values. Accordingly, over the long term, the College expects the current spending policy to allow its general endowment to grow at least 2 percent annually. In establishing this policy, the College considered the long-term expected return on its general endowment. This is consistent with the College's objective to maintain the purchasing power of the general endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Under the College's spending policy on the general endowment and quasi-endowment, the Board approved $96,583 and $91,650 to be applied to the operating budget for fiscal years ended 2022 and 2021, respectively.

Endowment Spending Policy - Scholarship Endowment

The College has adopted a policy of appropriating for distribution each year a maximum of 5 percent of the scholarship endowment fund's average fair value over the 3 preceding calendar year end fund values. In establishing this policy, the College considered the long-term expected return on its scholarship endowment. Accordingly, over the long term, the College expects the current spending policy to allow its scholarship endowment to grow at an average of at least 2 percent annually. This is consistent with the College's objective to maintain the purchasing power of the scholarship endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be mainted by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2022, funds with original gift values of $70,140, fair values of $61,970, and deficiencies of $8,170 were reported in net assets with donor restrictions. During the year, the Organization did not appropriate any expenditure from underwater endowments. Management expects these amounts to be fully recoverd during the fiscal year ending June 30, 2023, due to favorable market fluctations.

The College appropriated $126,937 and $115,950 from the scholarship endowment for the fiscal years ending June 30, 2022 and 2021, respectively.

NOTE Q - PAYCHECK PROTECTION LOAN FORGIVENESS

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Econcomic Security Act that, among other economic stimulus measures, established the Paycheck Protection (PPP) to provide small business loans. Under the terms of the loan, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The College applied for loan forgiveness in December of 2020 and received forgiveness for the full amount of the loan which is shown on the statement of activities for the year ended June 30, 2021, as a government grant.

NOTE R - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 18, 2022, which is the date the financial statements were available to be issued.

NOTE S - CONSEQUENCES OF COVID-19

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic, and the College expects their operations to be affected as the virus continues to proliferate. The College has adjusted certain aspects of their operations to protect their employees and those the College serves while still meeting the needs of the College. The College will continue to monitor the situation closely and it is possible that the College will implement further measures. In light of the uncertainty as to the severity and duration of the pandemic, the impact on their revenues, support, and financial position is uncertain at this time.

NOTE T - FUNDRAISING COSTS

Fundraising costs incurred by the College for the years ended June 30, 2022 and 2021, totaled $15,728 and $1,110, respectively.

NOTE U - CONDITIONAL PROMISE TO GIVE

The St. Cecilia Congregation, a related party of the College, has a commitment to the College of at least $1,500,000 for each of the next five fiscal years starting in the fiscal year ending June 30, 2022, and ending in the fiscal year ending June 30, 2026. This commitment will first be applied to any sisters' tuition billed with the remaining amount, to be determined annually, as a donation without donor restrictions.

NOTE V - CHANGE IN ACCOUNTING ESTIMATE

On July 1, 2020, the College elected to change the estimated useful life of certain assets and additionally elected to change its capitalization policy from $3,500 to $5,000. This change in accounting estimate resulted in a reduction of depreciation expense in the amount $184,062 during the year ended June 30, 2021, and will result in less depreciation expense in future years. The $93,601 loss on disposal of fixed assets during the year ended June 30, 2021, is related to the change in accounting estimate.

NOTE W - ADOPTION OF NEW REVENUE RECOGNITION AND FINANCIAL INSTRUMENTS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The College adopted the new standard effective July 1, 2020, the first day of the College's June 30, 2021, fiscal year using the modified retrospective approach.

As part of the adoption of the ASU, the College elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of the initial application when identifying satisfied and unsatisfied performance obligations, determining the transactions price, and allocating the transaction price, and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is no significant impact as a result of electing these practical expedients.

The result of this standard did not change any net asset or statement of activities items.