

Cristo Rey Columbus High School
Columbus, Ohio

Consolidated Financial Statements
For the years ended June 30, 2025 and 2024

and Independent Auditor's Report Thereon



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Independent Auditor's Report

Board of Trustees
Cristo Rey Columbus High School
Columbus, Ohio, United States of America

Opinion

We have audited the consolidated financial statements of Cristo Rey Columbus High School and its subsidiary (the School), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the School as of June 30, 2025 and 2024, and the changes in their net assets and their 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the School 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Schneider Downs & Co., Inc.

Columbus, Ohio
November 25, 2025

Cristo Rey Columbus High School

Consolidated Statements of Financial Position As of June 30, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 1,316,129	\$ 2,055,036
Accounts receivable, net	286,543	185,746
Contributions receivable, net	314,064	451,564
Inventories	14,891	18,659
Prepaid expenses	19,006	18,750
Investments	3,125,140	2,792,178
Property and equipment, net	13,879,067	14,295,354
Right-of-use asset, finance lease, net	101,416	-
Beneficial interest in assets held by others	1,534,014	1,252,575
Total assets	\$ 20,590,270	\$ 21,069,862
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$ 330,502	\$ 355,952
Finance lease liability	102,496	-
Debt	6,747,475	7,060,887
Deferred revenue	108,510	129,650
Total liabilities	7,288,983	7,546,489
Net assets		
Net assets with donor restrictions	492,531	608,833
Net assets without donor restrictions	12,808,756	12,914,540
Net assets	13,301,287	13,523,373
Total liabilities and net assets	\$ 20,590,270	\$ 21,069,862

See accompanying notes to consolidated financial statements.

Cristo Rey Columbus High School

Consolidated Statements of Activities and Changes in Net Assets
For the years ended June 30, 2025 and 2024

	Without Donor Restriction 2025	With Donor Restriction 2025	Total 2025	Without Donor Restriction 2024	With Donor Restriction 2024	Total 2024
Support:						
Contributions & grants, net	\$ 970,352	\$ 228,039	\$ 1,198,391	\$ 586,386	\$ 563,015	\$ 1,149,401
Work study donations	539,000	-	539,000	475,800	-	475,800
Special events revenue, net of expense of \$2,086 and \$51,717 for 2025 and 2024, respectively	68,914	-	68,914	304,977	-	304,977
Total support	1,578,266	228,039	1,806,305	1,367,163	563,015	1,930,178
Revenues:						
Educational Choice scholarships	3,220,208	-	3,220,208	3,515,354	-	3,515,354
Scholarship Granting Organization	-	97,157	97,157	-	-	-
Work study program revenue	2,340,375	-	2,340,375	2,310,400	-	2,310,400
Family contributions	319,856	-	319,856	399,764	-	399,764
State of Ohio administrative cost reimbursement	189,720	-	189,720	188,605	-	188,605
Other	622	-	622	1,799	-	1,799
Total revenues	6,070,781	97,157	6,167,938	6,415,922	-	6,415,922
Net assets released from restriction	447,563	(447,563)	-	334,368	(334,368)	-
Total support and revenues	8,096,610	(122,367)	7,974,243	8,117,453	228,647	8,346,100

See accompanying notes to consolidated financial statements.

Cristo Rey Columbus High School

Consolidated Statements of Activities and Changes in Net Assets For the years ended June 30, 2025 and 2024

	Without Donor Restriction 2025	With Donor Restriction 2025	Total 2025	Without Donor Restriction 2024	With Donor Restriction 2024	Total 2024
Expenses:						
Program services:						
High School	\$ 6,511,933	\$ -	\$ 6,511,933	\$ 6,317,430	\$ -	\$ 6,317,430
Professional work study program	1,173,601	-	1,173,601	1,059,484	-	1,059,484
Supporting services:						
Advancement	555,077	-	555,077	499,668	-	499,668
Administration	386,044	-	386,044	346,124	-	346,124
Total expenses	8,626,655	-	8,626,655	8,222,706	-	8,222,706
Operating (loss) income	(530,045)	(122,367)	(652,412)	(105,253)	228,647	123,394
Nonoperating activities:						
Unrealized gains on investment, net	103,678	-	103,678	8,280	-	8,280
Unrealized gain on beneficial interest in assets held by others, net	134,192	6,065	140,257	117,790	11,256	129,046
Investment income, net	186,391	-	186,391	203,186	-	203,186
Total nonoperating activities	424,261	6,065	430,326	329,256	11,256	340,512
Changes in net assets	(105,784)	(116,302)	(222,086)	224,003	239,903	463,906
Net assets at beginning of year	12,914,540	608,833	13,523,373	12,690,537	368,930	13,059,467
Net assets at end of year	\$12,808,756	\$ 492,531	\$13,301,287	\$12,914,540	\$ 608,833	\$13,523,373

See accompanying notes to consolidated financial statements.

Cristo Rey Columbus High School

Consolidated Statements of Functional Expenses For the years ended June 30, 2025

			Professional						Total Program
	High School		Work Study	Total Program		Advancement	Administration	Total Supporting	and supporting
	2025		Program	Services		2025	2025	Services	Services
			2025	2025				2025	2025
Salaries, benefits and other employee costs	\$ 4,480,220	\$	711,671	\$ 5,191,891	\$	452,332	\$ 200,638	\$ 652,970	\$ 5,844,861
Depreciation	590,191		12,557	602,748		12,557	12,557	25,114	627,862
Building, grounds and utilities	557,276		11,852	569,128		11,852	15,923	27,775	596,903
Travel and transportation	11,810		386,856	398,666		36,784	1,389	38,173	436,839
Professional fees	140,179		1,478	141,657		2,578	68,465	71,043	212,700
Interest	173,793		3,648	177,441		3,648	3,647	7,295	184,736
Other operating	86,197		18,867	105,064		30,472	44,814	75,286	180,350
Extracurricular and sports programs	165,030		-	165,030		-	-	-	165,030
Student expenses	152,243		280	152,523		-	-	-	152,523
Dues and subscriptions	84,053		7,774	91,827		1,472	5,247	6,719	98,546
Technology, supplies and small equipment	54,560		1,935	56,495		2,048	5,676	7,724	64,219
Professional development, meetings and workshops	9,058		16,683	25,741		1,334	27,688	29,022	54,763
Admissions	7,323		-	7,323		-	-	-	7,323
Total Expenses	\$ 6,511,933	\$	1,173,601	\$ 7,685,534	\$	555,077	\$ 386,044	\$ 941,121	\$ 8,626,655

See accompanying notes to consolidated financial statements.

Cristo Rey Columbus High School

Consolidated Statements of Functional Expenses For the years ended June 30, 2024

		Professional	Total Program				Total Supporting	Total Program
	High School	Work Study	Service	Advancement	Administration		Services	and supporting
	2024	Program	2024	2024	2024		2024	Services
		2024						2024
Salaries, benefits and other employee costs	\$ 4,097,863	\$ 573,034	\$ 4,670,897	\$ 374,642	\$ 179,504	\$ 554,146	\$ 5,225,043	
Depreciation	567,921	12,083	580,004	12,083	12,084	24,167	604,171	
Building, grounds and utilities	517,622	11,006	528,628	11,006	25,102	36,108	564,736	
Travel and transportation	13,838	409,065	422,903	1,500	5,100	6,600	429,503	
Professional fees	229,442	2,494	231,936	65,018	58,475	123,493	355,429	
Interest	179,388	3,817	183,205	3,817	3,814	7,631	190,836	
Other operating	91,286	17,288	108,574	25,255	30,633	55,888	164,462	
Extracurricular and sports programs	241,049	-	241,049	-	-	-	241,049	
Student expenses	155,868	100	155,968	100	100	200	156,168	
Dues and subscriptions	66,826	7,155	73,981	1,246	5,299	6,545	80,526	
Technology, supplies and small equipment	98,340	3,698	102,038	2,570	759	3,329	105,367	
Professional development, meetings and workshops	28,073	19,744	47,817	2,431	25,254	27,685	75,502	
Admissions	29,914	-	29,914	-	-	-	29,914	
Total Expenses	\$ 6,317,430	\$ 1,059,484	\$ 7,376,914	\$ 499,668	\$ 346,124	\$ 845,792	\$ 8,222,706	

See accompanying notes to consolidated financial statements.

Cristo Rey Columbus High School

Consolidated Statements of Cash Flows For the years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (222,086)	\$ 463,906
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	627,862	604,171
Amortization of debt issuance costs	7,132	7,132
Bad debts expense - accounts receivable	9,108	8,145
Unrealized gain on investment	(103,678)	(8,280)
Investment income, reinvested	(122,535)	(117,127)
Unrealized gain on beneficial interest in assets held by others	(140,257)	(129,046)
Dividend reinvestment in beneficial interest in assets held by others	(14,682)	(6,149)
Amortization of finance lease	11,268	-
Changes in assets and liabilities:		
Accounts receivable	(109,905)	161,201
Contributions receivable, net	137,500	(322,500)
Inventories	3,768	-
Prepaid expenses	(256)	(24,577)
Accounts payable and accrued expenses	(25,450)	(92,289)
Deferred revenue	(21,140)	(4,044)
Total adjustments to reconcile change in net assets to net cash provided by operating activities	258,735	76,637
Net cash provided by operating activities	36,649	540,543
Cash flows from investing activities		
Purchase of property and equipment	(211,575)	(205,114)
Proceeds from sale of investments	1,758,544	1,770,081
Purchase of investments	(1,865,293)	(1,768,669)
Contributions to beneficial interest in assets held by others	(126,500)	(62,827)
Net cash used in investing activities	(444,824)	(266,529)
Cash flows from financing activities		
Repayments on debt	(320,544)	(312,102)
Payments on finance lease obligations	(10,188)	-
Net cash used in financing activities	(330,732)	(312,102)
Net decrease in cash and cash equivalents	(738,907)	(38,088)
Cash at beginning of year	2,055,036	2,093,124
Cash and cash equivalents	\$ 1,316,129	\$ 2,055,036

See accompanying notes to consolidated financial statements.

Cristo Rey Columbus High School

Consolidated Statements of Cash Flows For the years ended June 30, 2025 and 2024

	2025	2024
Supplemental cash flow information		
Cash paid during the year for		
Interest	\$ 184,736	\$ 183,704
Noncash financing activities		
Right-of-use asset acquired in exchange for new finance lease liability	\$ 112,684	\$ -

See accompanying notes to consolidated financial statements.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements **June 30, 2025 and 2024**

1. Nature of Organization

Cristo Rey Columbus High School (Cristo Rey or the School), founded in 2011 and commenced with students in 2013, is a Catholic, college preparatory, coeducational high school that integrates quality education with an innovative work-study program for students of all faiths in Central Ohio. The Cristo Rey Columbus High School Work Study Program (the Professional Work Study Program) helps to underwrite the cost of operating the School and, more importantly, provides significant learning and motivational benefits to Cristo Rey students. In addition to funding obtained from the Professional Work Study Program, funding is obtained through grants and contributions, Educational Choice Scholarships and family contributions, which are limited to each family's ability to pay, thus enabling lower-income families to send their children to a high-level, private college preparatory school. The School is a member of the Cristo Rey Network of Schools, which is dedicated to preparing students from underserved families for success in college.

2. Summary of Significant Accounting Policies

a. Principles of Consolidation

The consolidated financial statements include the accounts of the School and the Professional Work Study Program. All intercompany accounts and transactions have been eliminated in consolidation.

b. Basis of Accounting

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

c. Use of Estimates

The preparation of consolidated 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 period. Actual results could differ from those estimates.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements **June 30, 2025 and 2024**

d. Cash and Cash Equivalents

The School maintains cash balances at a financial institution, which is insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. The School's cash balances at times exceeded federally insured limits. The School has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents. At June 30, 2025 and 2024, the School's cash accounts exceeded federally insured limits by approximately \$816,000 and \$1,555,000, respectively.

e. Accounts Receivable

Accounts receivable primarily represent uncollateralized student tuition obligations and corporate sponsor contract fees due under normal trade terms requiring payment in accordance with a payment plan option selected by the student families or corporate sponsors (monthly, biannual or lump-sum). The amounts due are stated at their estimated net realizable value. The School evaluates the ability of each family or corporate sponsor to pay by assessing historical experience and current economic conditions through a reasonable forecast period. Factors considered in the evaluation of collectability and risk include significant past-due balances, historical losses and existing economic conditions. The School writes off uncollectible receivables against the allowance when the likelihood of collection is remote. Recoveries of receivables previously written off are recognized as an offset to provision for credit loss in the year of recovery.

f. Contributions Receivable

Unconditional written promises to give (contributions) are recognized as an asset and contribution revenue in the period received. Promises to give are recorded at net realizable value and are discounted at an appropriate 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. Promises to give are written off in the period in which they are no longer collectible. Conditional promises to give are recognized when the conditions on which they depend, which consist of both a barrier and a right of return or release, are met.

g. Investments

Investments are reported at fair value. Adjustments to reflect increases or decreases in fair value, referred to as unrealized gains and losses, are reported in the consolidated statements of activities and changes in net assets.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

Gains and losses on the sale of investments are determined using the specific identification method. Realized gains and losses arising from the sale of investments and ordinary income from investments are reported as changes in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations or law. Dividend and interest income are accrued as earned.

The investment portfolio is managed by professional investment advisors and managers in accordance with the School's investment policy.

h. Beneficial Interest in Assets Held by Others

Kozlowski Fund: A donor established an endowment fund (Kozlowski Fund) with The Foundation of the Catholic Diocese of Columbus (Catholic Foundation) and named the School a 50% beneficiary of the fund. The Catholic Foundation has variance power over these assets and reserves the right to redirect the use of the transferred assets to another beneficiary should the School be unable to fulfill its mission or cease to exist. The fund is held and invested by the Catholic Foundation for the benefit of the School, and the School is awarded half of each year's scholarship grant funds to be awarded in equal shares to two applicants attending, or about to attend, the School. In accordance with the Kozlowski Fund agreement, the Fund distributes \$2,500 to the School on an annual basis for scholarship grants.

Foley Fund: The School and other third-party donors have invested funds with the Catholic Foundation known as the Jim Foley Endowment Fund for Cristo Rey Columbus High School (Foley Fund). The Catholic Foundation has variance power over these assets and reserves the right to redirect the use of the transferred assets to another beneficiary should the School be unable to fulfill its mission or cease to exist.

i. Property and Equipment

Property and equipment are recorded at cost. Expenditures for additions, improvements and other enhancements to property and equipment are capitalized, and minor replacements, maintenance and repairs that do not extend asset life or add value are charged to expense as incurred. When property and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in results of operations.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

In general, depreciation is the systematic and rational allocation of an asset's cost, less its residual value (if any), to the periods it benefits. Property and equipment are depreciated using the straight-line method, which results in depreciation expense being incurred evenly over the life of an asset. The estimated useful lives for each major depreciable classification of property and equipment are as follows: buildings and improvements: 35 - 40 years, furniture and fixtures: 3 - 5 years, and machinery and equipment: 3 - 5 years. The School's estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of the School's assets. The School periodically reviews and adjusts, as appropriate, the residual values and useful lives of its assets.

j. Deferred Revenue

Deferred revenue represents advance payments of family contributions and corporate work study sponsor contract fees and are recognized during the period they are earned.

k. Leases

The School is a lessee under a financing lease agreement. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term.

The School has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The lease liability is initially and subsequently recognized based on the present value of future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Changes to variable lease payments due to subsequent changes in an index or rate and variable lease payments not dependent on an index or a rate are recorded as variable lease expense in the period in which they are incurred.

The ROU asset for finance leases is amortized on a straight-line basis over the lease term.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

I. Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. All net assets restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. These net assets may be used at the discretion of the School's management and Board of Directors (the Board). Net assets without donor restrictions include net assets designated by the Board for specific purposes.

m. Revenue Recognition

The following significant revenue-generating transactions are within the scope of Accounting Standards Codification (ASC) 606 and are presented in the consolidated statements of activities and changes in net assets:

Educational Choice Scholarship - The State of Ohio has a voucher program whereby eligible high school students received \$8,400 for the 2024/25 and 2023/24 school years to utilize for tuition at a private institution of their choice. The School recognizes income from these scholarships ratably over the school year.

Work Study Program - The School partners with businesses in the community to provide students the opportunity to gain professional work experience. Businesses contract with the School to provide these work-study opportunities, and the School recognizes revenue ratably over the school year.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

Family Contributions - The School determines amounts for each student based on their family's ability to pay. The revenue is recognized ratably over the school year.

State of Ohio Administrative Cost Reimbursement - The School receives an administrative cost reimbursement from the State of Ohio based on time spent by faculty and staff on school administrative activities. The revenue is recognized ratably over the year.

In addition to the revenues mentioned above, the School receives various Federal and State funds that are earmarked for certain types of educational expenses. These funds have not been recorded in the accompanying financial statements. A summary of these funds is as follows:

Description	Source	2025	2024
Auxiliary Funds	State	\$ 543,000	\$ 403,000
Title IA	Federal	286,000	449,000
Title IIA	Federal	38,000	39,000
Title IV	Federal	38,000	37,000
Total		\$ 905,000	\$ 928,000

These funds are all passed through the Columbus City School District (School District) and are paid by the School District after an authorization process, which includes verification that the related expense qualifies to be paid by the corresponding program. These amounts and the related expenses have not been recognized in the accompanying financial statements in accordance with industry standards.

n. Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the School reports the support as without donor restrictions.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements **June 30, 2025 and 2024**

o. Functional Allocation of Expenses

The costs of providing the School's programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, between program services and supporting services. Expenses allocated include the president's and administrative staff's salaries, benefits and other employee costs; building, grounds and utilities expenses; depreciation and amortization, interest expense, technology, supplies and small equipment. The president's and administrative staff's salaries, benefits and other employee costs are allocated on the basis of estimated usage of time for each function. Interest, building, grounds and utilities expenses and depreciation are allocated on the basis of estimated usage of space for each function. All other expenses that relate to more than one function are allocated on the basis of full-time equivalent employees of each function and is consistently applied.

p. Income Taxes

The School and the Professional Work Study Program are not-for-profit organizations as described in Sections 501(c)(3) and 509(a)(9)(A), respectively, of the Internal Revenue Code. The School may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the School's exempt function. As of June 30, 2025 and 2024, the School believes that it has not generated any unrelated business taxable income. The Professional Work Study Program files federal and state tax returns.

The School recognizes the tax benefit from an uncertain tax position only if it is "more likely than not" that the tax position would be sustained on examination by the taxing authorities, based upon the technical merits of the position. The amount recognized is the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon examination. The School did not have any interest or penalties related to unrecognized tax benefits classified as income tax expense as of June 30, 2025 and 2024.

The School is no longer subject to U.S. federal, state, and local or non-U.S. income tax examinations by tax authorities for years before 2022. Management believes that the income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in material change.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

q. Fair Value Measurements

The School measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

Fair Value Hierarchy

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three “levels” based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that the School has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The School does not adjust the quoted price for such instruments.
- **Level 2:** Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3:** Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the School must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

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Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

The School maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

r. Subsequent Events

The School's management evaluated events that occurred after June 30, 2025 through November 25, 2025, the date when the consolidated financial statements were available to be issued.

3. Sponsor Organization

The Cristo Rey Network of Schools requires that all Cristo Rey schools be sponsored by a Catholic organization. The School is sponsored by the Catholic Diocese of Columbus (the Diocese). The School is a separately incorporated entity, as is the Work Study Program.

The School participates in the insurance plan maintained by the Diocese for employee medical claims, general liability and property. Payment for healthcare, general liability and property insurance premiums paid to the Diocese was \$668,875 and \$590,159, for the years ended June 30, 2025 and 2024, respectively.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

4. Liquidity and Availability of Resources

The School's financial assets available for general use at June 30, consist of the following:

	2025	2024
Financial assets available:		
Cash and cash equivalents	\$ 1,316,129	\$ 2,055,036
Accounts receivable, net	286,543	185,746
Contributions receivable, net	314,064	451,564
Investments	3,125,140	2,792,178
Beneficial interest in assets held by others	1,534,014	1,252,575
Total financial assets available	6,575,890	6,737,099
Less:		
Contributions receivable scheduled to be collected beyond one year	(145,000)	(365,000)
Beneficial interest in assets held by others, less annual distribution	(1,531,514)	(1,250,075)
Net assets with time and purpose restrictions	(347,531)	(243,833)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,551,845	\$ 4,878,191

The School's working capital and cash flows fluctuate during the year due to the timing of cash receipts and major contributions. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

5. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following is a description of the valuation methodologies and inputs used for assets and liabilities recognized in the accompanying statement of financial position measured at fair value on a recurring basis.

Debt Securities

Debt securities include corporate fixed income securities. Whenever available, the School obtains quoted prices in active markets for identical assets at the statement of financial position date to measure debt securities at fair value. Market price data is generally obtained from dealer markets.

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Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

When quoted prices are unavailable, the School uses market-accepted valuation methodologies, which may utilize matrix pricing, financial models, accompanying model inputs and various assumptions, to estimate the fair value of individual securities. The inputs used include, but are not limited to, market prices from completed transactions for identical securities and transactions for comparable securities, benchmark yields, interest rate yield curves, credit spreads, prepayment rates, default rates, recovery assumptions, currency rates, quoted prices for similar securities and other market-observable information, as applicable.

When sufficient market observable information is unavailable, fair value is determined based on discounted cash flow models using discount rates based on credit spreads, yields, or price levels of comparable securities, adjusted for illiquidity and structure.

Equity Securities

Whenever available, the School obtains quoted prices in active markets for identical assets at the statement of financial position date to measure equity securities with readily determinable fair values. Market price data is generally obtained from exchange or dealer markets.

Other Investments

The School initially estimates the fair value of investments in certain hedge funds, private equity funds and other investment partnerships at the transaction price. Subsequently, these investments are measured using net asset value information provided by the general partner or manager of the investments, the financial statements of which are generally audited annually.

Beneficial Interest in Assets Held by Others

The School estimates the fair value of beneficial interest in funds held in trust by others using an income approach by calculating the present value of the future distributions expected to be received based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity-specific estimates of cash flows). Since the School has an irrevocable right to receive the income earned from the trust's assets, the fair value of the School's beneficial interest is estimated to approximate the fair value of the trust's assets.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

The following tables set forth, by level, within the fair value hierarchy, the School's financial assets that are measured on a recurring basis as of June 30:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Net Asset Value (a)	Total Fair Value
June 30, 2025					
Investments	\$ 2,842,493	\$ -	\$ -	\$ 282,647	\$ 3,125,140
Beneficial interest in assets held by others	-	-	1,534,014	-	1,534,014
	\$ 2,842,493	\$ -	\$ 1,534,014	\$ 282,647	\$ 4,659,154
June 30, 2024					
Investments	\$ 2,675,760	\$ -	\$ -	\$ 116,418	\$ 2,792,178
Beneficial interest in assets held by others	-	-	1,252,575	-	1,252,575
	\$ 2,675,760	\$ -	\$ 1,252,575	\$ 116,418	\$ 4,044,753

(a) Alternative investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Investments

Investments by type consists of the following at June 30:

	Cost 2025	Fair Value 2025	Cost 2024	Fair Value 2024
Investment Types				
Cash equivalents	\$ 965,341	\$ 965,341	\$ 1,694,792	\$ 1,694,792
Fixed income and preferred securities	757,027	841,139	827,447	819,364
Equity securities	1,019,414	1,036,013	146,739	161,604
Other	130,212	282,647	101,703	116,418
Total	\$ 2,871,994	\$ 3,125,140	\$ 2,770,681	\$ 2,792,178

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

Investments in Certain Entities Carried at Fair Value Using Net Asset Value per Share

The following table includes information related to alternative investments that calculate net asset value per share:

Asset Class	Redemption		Strategy	Estimated Life
	Frequency (If Currently Eligible)	Redemption Notice Period		
(a)	Quarterly	Last day of each quarter	Offer differentiated exposure through extensive sourcing network and asset-backed expertise.	Indefinite
(b)	Semi-annual	95 days	Long-term investment success through market-neutral and uncorrelated investment strategies.	Indefinite

At June 30, 2025, there were no remaining unfunded commitments for either alternative investment.

Purchases and sales of investments, investment income, net of fees and net unrealized gains for the years ended June 30, 2025 and 2024 consist of the following:

Balance at June 30, 2023	\$ 2,668,183
Purchases	1,768,669
Sales	(1,770,081)
Investment income, net of fees	117,127
Net unrealized gains	8,280
Balance at June 30, 2024	2,792,178
Purchases	1,865,293
Sales	(1,758,544)
Investment income, net of fees	122,535
Net unrealized gains	103,678
Balance at June 30, 2025	\$ 3,125,140

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

Since the initial purchase of investments during the year ended June 30, 2023, the investments have had the following activity:

Initial purchase of Investments	\$ 2,650,822
Purchases	3,633,962
Sales	(3,528,625)
Investment income, net of fees	258,377
Net unrealized gains	110,604
Balance at June 30, 2025	\$ 3,125,140

6. Accounts Receivable

Accounts receivable, primarily arising from student tuition obligations and corporate sponsor contracts, consist of the following:

	June 30, 2025	June 30, 2024	June 30, 2023
Accounts receivable	\$ 286,543	\$ 185,746	\$ 355,092

During the years ended June 30, 2025 and 2024, the Company had provision for expected credit losses of \$4,950.

7. Contributions Receivable

Contributions receivable consist of the following at June 30:

	2025	2024
Contributions due within one year	\$ 195,000	\$ 112,500
Contributions due in one to five years	145,000	365,000
Contributions receivable, gross	340,000	477,500
Less allowance for doubtful contributions	(20,000)	(20,000)
Less discount to net present value	(5,936)	(5,936)
Contributions receivable, net	\$ 314,064	\$ 451,564

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

The discount rate used to measure the net present value ranged from 3.72% to 3.79% and 4.24% to 4.71% at June 30, 2025 and 2024, respectively.

8. Property and Equipment

The historical cost of the School's property and equipment and related accumulated depreciation balances at June 30 were as follows:

	2025	2024
Land	\$ 423,663	\$ 423,663
Buildings and improvements	18,344,107	18,215,108
Vehicles	126,838	126,838
Furniture and fixtures	1,079,366	996,790
Property and equipment, gross	19,973,974	19,762,399
Less accumulated depreciation	(6,094,907)	(5,467,045)
Property and equipment, net	\$ 13,879,067	\$ 14,295,354

Depreciation expense related to property and equipment was \$627,862 and \$604,171 for the years ended June 30, 2025 and 2024, respectively.

9. Beneficial Interest in Assets Held by Others

The balance of the Kozlowski Fund was \$57,906 and \$54,342 as of June 30, 2025 and 2024, respectively, with distributions and changes in fair value recognized in the consolidated statements of activities and change in net assets. See Note 5 for discussion of fair value measurement.

The balance of the Foley Fund recorded in the consolidated statements of financial position at June 30, 2025 and 2024 was \$1,476,108 and \$1,198,233, respectively, and represents amounts contributed to the fund by Cristo Rey. In addition, donors have contributed directly to the Catholic Foundation and designated such funds to the School, which are not recorded on the consolidated statements of financial position and totaled \$130,906 and \$115,506 at June 30, 2025 and 2024, respectively. The Catholic Foundation uses a spending-rate formula to determine the maximum distribution from the Foley Fund each year. The rate, determined and adjusted from time to time, is applied to the average fair value of the Foley Fund for the prior 12 quarters at December 31 of each year to determine the spending amount for the upcoming year. During 2024 and 2025, the spending rate maximum was 5%. No distributions were taken from the fund during 2025 and 2024.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

Total investment gain earned on these funds approximated \$140,257 and \$129,046 for the years ended June 30, 2025 and 2024, respectively.

The balance and activity of funds held at the Catholic Foundation as of and for the years ended June 30, 2025 and 2024 are as follows:

	Kozlowski		
	Fund	Foley Fund	Total
Balance at June 30, 2023	\$ 50,828	\$ 1,003,725	\$ 1,054,553
Contributions	-	71,476	71,476
Investment gains, net of fees	6,014	123,032	129,046
Distributions	(2,500)	-	(2,500)
Balance at June 30, 2024	54,342	1,198,233	1,252,575
Contributions	-	134,689	134,689
Investment gains, net of fees	6,064	143,186	149,250
Distributions	(2,500)	-	(2,500)
Balance at June 30, 2025	\$ 57,906	\$ 1,476,108	\$ 1,534,014

Since its inception in fiscal year 2021, the Foley Fund has had the following activity:

Contributions	\$ 1,060,580
Investment gain, net of fees	415,528
Balance at June 30, 2025	\$ 1,476,108

10. Leases

The School began leasing office equipment in January 2025. Ownership of the equipment transfers to the School when the lease term expires in January 2030. The discount rate for the lease is 4.4%.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

Components of lease expense were as follows for the years ended June 30:

	2025
Finance lease cost:	
Amortization of ROU assets	\$ 11,268
Interest on lease liabilities	2,340
Total lease cost	\$ 13,608

Maturities of lease liabilities are as follows as of June 30, 2025:

Year	Finance Leases
2026	\$ 25,056
2027	25,056
2028	25,056
2029	25,056
2030	12,528
Total lease payments	112,752
Less imputed interest	(10,256)
Total lease liabilities	\$ 102,496

11. Debt

Long-Term Debt

Long-term debt consists of the following at June 30:

	2025	2024
In March 2022, the School signed a promissory note with a financial institution in the amount of \$7,811,500 that bears interest at a fixed rate (2.48%). Payments on the principal balance of this loan began in April 2022. The principal balance on this note is due no later than March 1, 2032. Interest payments approximated \$175,000 and \$184,000 during the years ended June 30, 2025 and 2024, respectively.	\$ 6,795,618	\$ 7,116,162
Less unamortized debt issuance costs	(48,143)	(55,275)
Net long-term debt	\$ 6,747,475	\$ 7,060,887

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

The aggregate amounts of principal maturities of long-term debt outstanding at June 30, 2025 are as follows:

Year	Future Payments
2026	\$ 331,158
2027	339,465
2028	347,980
2029	356,709
2030	365,657
Thereafter	5,054,649
Total long-term debt	\$ 6,795,618

Restrictive Covenants

The provisions of the aforementioned promissory note contain various covenants pertaining to fixed charge coverage and minimum liquidity. The School is required to maintain a fixed coverage charge ratio greater than 1.10 to 1 as of the end of the fiscal year and maintain liquidity of not less than \$781,150 at any time.

At June 30, 2025, the School was in breach of the fixed charge coverage ratio covenant.

The bank has formally approved noncompliance with this requirement as of June 30, 2025.

Debt Issuance Costs

During 2022, the School incurred approximately \$71,000 of capitalized debt issuance costs in connection with the issuance of the aforementioned promissory note. Debt issuance costs are amortized to interest expense using the straight-line method over the term of the respective debt instruments. The School's debt issuance cost amortization was \$7,132 in 2025 and 2024.

Cristo Rey Columbus High School

Notes to the Consolidated Financial Statements June 30, 2025 and 2024

12. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	2025	2024
Time-restricted pledges and donations	\$ 314,064	\$ 451,564
Education, facilities and programming	52,418	78,099
Student tuition assistance	57,907	79,170
Scholarship Granting Organization	68,142	-
Total net assets with donor restrictions	\$ 492,531	\$ 608,833

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purpose or time. For the years ended June 30, 2025 and 2024, net assets with donor restrictions of \$416,729 and \$334,368, respectively, were released.

13. Defined Contribution Plan

The School participates in a defined contribution plan for its employees sponsored by the Diocese of Columbus. Under the provisions of the 403(b) defined contribution plan, participants are required to contribute 2% of their salary. The School historically contributed a matching contribution equal to 100% of the first 2% of a participant's elective deferral to the Plan. Effective July 1, 2024, the School's matching contribution was increased to 100% of the first 4% of a participant's elective deferral to the plan. In addition, employees may contribute up to the federal allowable limits. Amounts charged to expense for the defined contribution plan totaled \$130,500 and \$80,526 for the years ended June 30, 2025 and 2024, respectively.

14. Litigation

In the normal course of operations, the School is subject to various legal matters and claims. While the School believes the ultimate outcome of such other matters and claims will not have a material adverse effect on the School's financial position, results of operations, or cash flows, the outcome of such matters and claims is not determinable with certainty, and negative outcomes may adversely affect the School.