



LOYOLA ACADEMY OF ST. LOUIS

Financial Statements with Supplementary
Information and Independent Auditors' Report

YEARS ENDED JUNE 30, 2024 AND 2023



ANDERS
CPAs + ADVISORS

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Independent Auditors' Report

Board of Trustees
Loyola Academy of St. Louis
St. Louis, Missouri

Opinion

We have audited the accompanying financial statements of Loyola Academy of St. Louis (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2024 and 2023 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 Loyola Academy of St. Louis as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Loyola Academy of St. Louis and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Loyola Academy of St. Louis's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Loyola Academy of St. Louis'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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Operating Income on page 24 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Anders Minkler Huber & Helms LLP

November 18, 2024

Loyola Academy of St. Louis
Statement of Financial Position
June 30, 2024

Assets

	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets			
Cash and cash equivalents	\$ 414,726	\$ 1,831,586	\$ 2,246,312
Pledges receivable	18,136	1,080,000	1,098,136
Prepaid expenses	1,120	-	1,120
Total Current Assets	433,982	2,911,586	3,345,568
Investments, at Fair Value	3,927,022	5,082,656	9,009,678
Property and Equipment, net	4,050,949	-	4,050,949
Pledges Receivable long-term, net	-	37,800	37,800
Total Assets	\$ 8,411,953	\$ 8,032,042	\$ 16,443,995

Liabilities and Net Assets

Current Liabilities			
Accounts payable	\$ 295,861	\$ -	\$ 295,861
Deferred income	76,125	-	76,125
Total Liabilities	371,986	-	371,986
Net Assets			
Without donor restrictions			
Board designated	1,330,860	-	1,330,860
Undesignated	6,709,107	-	6,709,107
With donor restrictions	-	8,032,042	8,032,042
Total Net Assets	8,039,967	8,032,042	16,072,009
Total Liabilities and Net Assets	\$ 8,411,953	\$ 8,032,042	\$ 16,443,995

Loyola Academy of St. Louis
Statement of Financial Position
June 30, 2023

Assets

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 450,680	\$ 84,486	\$ 535,166
Pledges receivable	74,106	1,000,000	1,074,106
Accounts receivable	30,428	-	30,428
Prepaid expenses	<u>2,554</u>	<u>-</u>	<u>2,554</u>
Total Current Assets	557,768	1,084,486	1,642,254
Investments, at Fair Value	3,019,183	4,845,131	7,864,314
Property and Equipment, net	3,717,304	-	3,717,304
Pledges Receivable long-term, net	<u>-</u>	<u>1,895,000</u>	<u>1,895,000</u>
 Total Assets	 <u>\$ 7,294,255</u>	 <u>\$ 7,824,617</u>	 <u>\$ 15,118,872</u>

Liabilities and Net Assets

Current Liabilities			
Accounts payable	\$ 260,806	\$ -	\$ 260,806
Deferred income	<u>152,666</u>	<u>-</u>	<u>152,666</u>
Total Liabilities	413,472	-	413,472
Net Assets			
Without donor restrictions			
Board designated	1,216,605	-	1,216,605
Undesignated	5,664,178	-	5,664,178
With donor restrictions	<u>-</u>	<u>7,824,617</u>	<u>7,824,617</u>
Total Net Assets	<u>6,880,783</u>	<u>7,824,617</u>	<u>14,705,400</u>
 Total Liabilities and Net Assets	 <u>\$ 7,294,255</u>	 <u>\$ 7,824,617</u>	 <u>\$ 15,118,872</u>

Loyola Academy of St. Louis
Statement of Activities
Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gain and Other Support			
Public Support			
Contributions	\$ 1,043,591	\$ 781,105	\$ 1,824,696
Grants	735,252	-	735,252
In-kind contributions	<u>50,652</u>	<u>-</u>	<u>50,652</u>
Total Public Support	1,829,495	781,105	2,610,600
Revenues			
Tuition and fees	112,237	-	112,237
State lunch program	75,755	-	75,755
Interest and dividend income, net	311,200	-	311,200
Net realized/unrealized gain on investments	472,492	308,000	780,492
Other revenue	<u>12,759</u>	<u>-</u>	<u>12,759</u>
	<u>2,813,938</u>	<u>1,089,105</u>	<u>3,903,043</u>
Gross special events revenues	1,001,437	-	1,001,437
Less cost of direct benefit to donors	<u>231,762</u>	<u>-</u>	<u>231,762</u>
Net special events revenues	<u>769,675</u>	<u>-</u>	<u>769,675</u>
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	<u>881,680</u>	<u>(881,680)</u>	<u>-</u>
Total Revenues, Gain and Other Support	<u>4,465,293</u>	<u>207,425</u>	<u>4,672,718</u>
Expenses			
Program Services	<u>2,569,487</u>	<u>-</u>	<u>2,569,487</u>
Supporting Activities			
Management and general	376,505	-	376,505
Fundraising	<u>360,117</u>	<u>-</u>	<u>360,117</u>
Total Supporting Activities	<u>736,622</u>	<u>-</u>	<u>736,622</u>
Total Expenses	<u>3,306,109</u>	<u>-</u>	<u>3,306,109</u>
Change in Net Assets	1,159,184	207,425	1,366,609
Net Assets, Beginning of Year	<u>6,880,783</u>	<u>7,824,617</u>	<u>14,705,400</u>
Net Assets, End of Year	<u>\$ 8,039,967</u>	<u>\$ 8,032,042</u>	<u>\$16,072,009</u>

Loyola Academy of St. Louis
Statement of Activities
Year Ended June 30, 2023

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues, Gain and Other Support			
Public Support			
Contributions	\$ 783,300	\$ 2,593,000	\$ 3,376,300
Grants	341,500	308,000	649,500
In-kind contributions	<u>23,976</u>	<u>-</u>	<u>23,976</u>
Total Public Support	1,148,776	2,901,000	4,049,776
Revenues			
Tuition and fees	64,605	-	64,605
State lunch program	63,362	-	63,362
Interest and dividend income, net	188,961	-	188,961
Net realized/unrealized gain on investments	132,702	417,601	550,303
Other revenue	<u>6,545</u>	<u>-</u>	<u>6,545</u>
	<u>1,604,951</u>	<u>3,318,601</u>	<u>4,923,552</u>
Gross special events revenues	673,963	-	673,963
Less cost of direct benefit to donors	<u>213,854</u>	<u>-</u>	<u>213,854</u>
Net special events revenues	<u>460,109</u>	<u>-</u>	<u>460,109</u>
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	<u>1,077,869</u>	<u>(1,077,869)</u>	<u>-</u>
Total Revenues, Gain and Other Support	<u>3,142,929</u>	<u>2,240,732</u>	<u>5,383,661</u>
Expenses			
Program Services	<u>2,273,670</u>	<u>-</u>	<u>2,273,670</u>
Supporting Activities			
Management and general	400,491	-	400,491
Fundraising	<u>393,272</u>	<u>-</u>	<u>393,272</u>
Total Supporting Activities	<u>793,763</u>	<u>-</u>	<u>793,763</u>
Total Expenses	<u>3,067,433</u>	<u>-</u>	<u>3,067,433</u>
Change in Net Assets	75,496	2,240,732	2,316,228
Net Assets, Beginning of Year	<u>6,805,287</u>	<u>5,583,885</u>	<u>12,389,172</u>
Net Assets, End of Year	<u>\$ 6,880,783</u>	<u>\$ 7,824,617</u>	<u>\$14,705,400</u>

Loyola Academy of St. Louis
Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services	Supporting Activities			Total Expenses
		Management and General	Fundraising	Total	
Salaries and wages	\$ 1,215,064	\$ 212,135	\$ 220,071	\$ 432,206	\$ 1,647,270
Payroll taxes	87,266	15,235	15,805	31,040	118,306
Health insurance	142,671	24,908	25,840	50,748	193,419
Retirement plan	72,901	12,728	13,204	25,932	98,833
Alumni support	303,970	-	-	-	303,970
Credit loss expense	25,000	-	-	-	25,000
Books and supplies	43,554	-	-	-	43,554
Development expenses	-	-	30,071	30,071	30,071
Food costs	136,021	-	-	-	136,021
Staff mission related expenses	8,802	1,537	1,594	3,131	11,933
Insurance	37,514	6,549	6,794	13,343	50,857
Office expense	26,922	4,700	4,876	9,576	36,498
Volunteer services	128	-	-	-	128
Printing and postage	7,044	829	414	1,243	8,287
Professional fees	-	31,972	8,500	40,472	40,472
Repairs and maintenance	46,329	-	-	-	46,329
School activities and athletics	56,394	-	-	-	56,394
School activities - in-kind	15,910	22,280	12,462	34,742	50,652
Staff expense	4,596	802	832	1,634	6,230
Staff training and development	5,284	3,523	-	3,523	8,807
Technology expense	107,538	12,651	6,326	18,977	126,515
Telephone	19,733	2,321	1,161	3,482	23,215
Utilities	39,374	4,632	2,316	6,948	46,322
Total Expense Before Depreciation	<u>2,402,015</u>	<u>356,802</u>	<u>350,266</u>	<u>707,068</u>	<u>3,109,083</u>
Depreciation	<u>167,472</u>	<u>19,703</u>	<u>9,851</u>	<u>29,554</u>	<u>197,026</u>
Total Expenses	<u>\$ 2,569,487</u>	<u>\$ 376,505</u>	<u>\$ 360,117</u>	<u>\$ 736,622</u>	<u>\$ 3,306,109</u>

Loyola Academy of St. Louis
Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services	Supporting Activities			Total Expenses
		Management and General	Fundraising	Total	
Salaries and wages	\$ 1,001,916	\$ 218,775	\$ 224,376	\$ 443,151	\$ 1,445,067
Payroll taxes	73,671	16,087	16,498	32,585	106,256
Health insurance	121,620	26,557	27,236	53,793	175,413
Retirement plan	65,029	14,199	14,563	28,762	93,791
Alumni support	291,612	-	-	-	291,612
Books and supplies	38,157	-	-	-	38,157
Development expenses	-	-	26,328	26,328	26,328
Food costs	123,950	-	-	-	123,950
Pastoral care/student families	861	188	193	381	1,242
Insurance	30,902	6,747	6,920	13,667	44,569
Office expense	47,896	10,459	10,726	21,185	69,081
Outside services	5,000	-	4,000	4,000	9,000
Printing and postage	1,631	312	-	312	1,943
Professional fees	1,829	64,547	43,014	107,561	109,390
Repairs and maintenance	58,551	-	-	-	58,551
School activities and athletics	79,543	-	-	-	79,543
Staff expense	1,743	380	390	770	2,513
Staff training and development	6,275	4,183	-	4,183	10,458
Technology expense	90,201	10,612	5,306	15,918	106,119
Telephone	19,710	2,319	1,159	3,478	23,188
Utilities	43,382	5,104	2,552	7,656	51,038
Total Expense Before Depreciation	<u>2,103,479</u>	<u>380,469</u>	<u>383,261</u>	<u>763,730</u>	<u>2,867,209</u>
Depreciation	<u>170,191</u>	<u>20,022</u>	<u>10,011</u>	<u>30,033</u>	<u>200,224</u>
Total Expenses	<u>\$ 2,273,670</u>	<u>\$ 400,491</u>	<u>\$ 393,272</u>	<u>\$ 793,763</u>	<u>\$ 3,067,433</u>

Loyola Academy of St. Louis
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ 1,366,609	\$ 2,316,228
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	197,026	200,224
Amortization of discount for pledges receivable	(102,800)	-
Net unrealized gains on investments	(573,770)	(696,522)
Net realized (gains) losses on investments	(206,722)	146,219
Donated stock	(18,781)	(58,325)
(Increase) decrease in assets:		
Pledges receivable	1,935,970	(2,448,107)
Accounts receivable	30,428	(3,457)
Prepaid expenses	1,434	31,941
Increase (decrease) in liabilities:		
Accounts payable	35,055	117,567
Deferred income	(76,541)	152,666
Net Cash Provided by (Used in) Operating Activities	2,587,908	(241,566)
Cash Flows From Investing Activities		
Purchases of investments	(3,018,860)	(3,101,222)
Proceeds from sales of investments	2,672,769	3,476,711
Purchases of property and equipment	(530,671)	(114,633)
Net Cash Provided by (Used in) Investing Activities	(876,762)	260,856
Net Increase in Cash and Cash Equivalents	1,711,146	19,290
Cash and Cash Equivalents, Beginning of Year	535,166	515,876
Cash and Cash Equivalents, End of Year	\$ 2,246,312	\$ 535,166

Loyola Academy of St. Louis
Notes to Financial Statements
June 30, 2024 and 2023

1. Nature of Operations and Basis of Presentation

Organization

Loyola Academy of St. Louis (the "Academy"), a Missouri not-for-profit corporation, is a Catholic, Jesuit upper-elementary and middle school for boys in grades 4 through 8. The Academy's mission is to serve boys who have the potential for college preparatory work, but are in danger of failing to achieve that potential because of poverty, residence in distressed neighborhoods, or other social or economic factors. In addition to a rigorous academic program, the Academy offers its students a range of other services including counseling, tutoring, enrichment activities, sports, recreation, graduate support, and referral to other services intended to ensure their success. The Academy is located in the Grand Center neighborhood of the City of St. Louis.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions of the Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, non-governmental accounting principles generally accepted in the United States of America ("GAAP"). All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Academy and changes therein are classified into two categories of net assets, as applicable, and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Trustees (the "Trustees") and represent net assets without donor restrictions that have been set aside for a particular purpose.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may be satisfied by specific activities or the passage of time, or are required to be maintained in perpetuity by the Academy. The income earned on any related investments would also be subject to donor-imposed stipulations.

2. Summary of Significant Accounting Policies

Use of Estimates

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

Loyola Academy of St. Louis
Notes to Financial Statements
June 30, 2024 and 2023

Fair Value Measurements

The Academy follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

Cash and Cash Equivalents

The Academy considers all short-term investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Investments

The Academy carries investments at fair value. Realized and unrealized gains and losses are included in investment earnings and are derived using the average cost method for determining the cost of securities sold. Dividends are recorded on the ex-dividend date, and interest income is recognized when earned. Dividend and interest income is net of investment fees on the statement of activities.

Accounts Receivable

Accounts receivable consist primarily of amounts due for tuition and amounts due under reimbursable grant arrangements through June 30.

The Academy provides an allowance for credit losses equal to the estimated losses that will be incurred in the collection of accounts receivable, if any. The allowance is based on multiple factors, including historical experience, the credit quality of the student base, the aging of accounts receivable, current economic conditions, and management's expectations of conditions in the future, as applicable. The allowance and associated accounts receivable are reduced when the receivables are determined to be uncollectible. Currently, the Academy considers accounts receivable to be fully collectible.

The Academy's accounts receivable are disaggregated and pooled by aging categories. Accounts past due 90 days or more are evaluated for loss individually on a student by student basis. For all other aging categories, the risk of loss is assessed over the contractual life of the accounts receivable and the historical loss amounts for each pool are adjusted for current and future conditions based on management's qualitative considerations.

Loyola Academy of St. Louis
Notes to Financial Statements
June 30, 2024 and 2023

Pledges Receivable

Pledges receivable are unconditional promises to give that are recorded at their net realizable value if due in the next year. Pledges receivable due in subsequent years are reported at the present value of their net realizable value using risk-free interest rates applicable to the years in which the pledges are to be received.

The Academy provides an allowance for doubtful pledges equal to the estimated losses that will be incurred in the collection of pledges. This estimate is based on historical experience coupled with a review of the current status of existing pledges. The allowance and associated pledges are reduced when the pledges are determined to be uncollectible. Currently, the Academy considers pledges receivable to be fully collectible.

Property and Equipment

Property and equipment acquisitions with a life of 3 years or greater and a cost in excess of \$1,000 are capitalized and recorded at cost, while maintenance and repairs are expensed as incurred. Donated assets are recorded at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose or period of time. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The estimated lives for computing depreciation on property and equipment are:

<u>Classification</u>	<u>Years</u>
Buildings and improvements	15-40
Furniture, equipment and automobiles	3-15

Long-Lived Asset Impairment

The Academy evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management does not believe any impairment exists as of June 30, 2024 and 2023.

Loyola Academy of St. Louis
Notes to Financial Statements
June 30, 2024 and 2023

Endowment Fund

The State of Missouri enacted the State Prudent Management of Institutional Funds Act ("SPMIFA") effective August 28, 2009. The Academy follows FASB guidance on accounting for the net assets classification of restricted endowment funds for a not-for-profit organization that is subject to the enacted version of the SPMIFA. The Academy has determined that the donor restricted contributions at June 30, 2024 and 2023 meet the definition of endowment funds under SPMIFA.

The Academy has interpreted the SPMIFA as requiring the preservation of the original gift amount. As a result of this interpretation, the Academy classifies net assets with donor restrictions as the original value of gifts donated to the endowment held in perpetuity. The remaining portion of funds are appropriated for expenditure by the Academy in a manner consistent with the standard of prudence prescribed by SPMIFA.

Tuition and Fees

Tuition and fees are uncollateralized student obligations due under normal trade terms requiring payment according to the payment options offered by the Academy. Tuition and fees are recognized over the school year to which they relate.

Support and Revenue

Contributions and grants are recorded as received, and unconditional pledges are recorded as the promise is made. All contributions are available for general activities unless specifically restricted by the donor. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional pledges are recognized when the conditions on which they depend are substantially met. Contributions with donor restrictions in which the restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

Donated Stock, Materials and Services

Donated noncash assets are recorded as contributions at their fair values at the date of donation. The estimated fair values of donated materials and services were \$50,652 and \$23,976 for the years ended June 30, 2024 and 2023, respectively. The estimated fair values of donated stocks were \$18,781 and \$58,325 for the years ended June 30, 2024 and 2023, respectively.

Functional Expense Allocation

The costs of program services and supporting activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Loyola Academy of St. Louis
Notes to Financial Statements
June 30, 2024 and 2023

Income Taxes

The Academy is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), except on net income derived from unrelated business activities as defined in the Code. Accordingly, the Academy files as a tax exempt organization.

The Academy follows guidance issued by the FASB on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, changes in tax law and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions. The Academy's returns for tax years 2020 and later remain subject to examination by taxing authorities.

Subsequent Events

The Academy has evaluated subsequent events through November 18, 2024, the date the financial statements were available to be issued.

3. Change in Accounting Principle

Effective July 1, 2023, the Academy adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended. FASB ASC 326 replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of future credit losses for the remaining estimated lives of financial assets based on relevant information about historical experience, current conditions, and reasonable and supportable financial forecasts that affect the collectibility of the reported amounts. The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost. Such assets are presented at the net amount expected to be collected over their remaining contractual lives using an allowance for credit losses.

The Academy elected to adopt FASB ASC 326 using the modified retrospective method for all financial assets measured at amortized cost. Results for reporting periods beginning after July 1, 2023 are presented under FASB ASC 326, while prior period amounts continue to be reported in accordance with previously applicable accounting standards. The Academy did not have to record any adjustments as a result of adopting the standard.

4. Contract Balances

Contract balances from contracts with customers, at June 30, are as follows:

	2024	2023	2022
Accounts receivable	\$ -	\$ 30,428	\$ 26,971
Deferred revenue	\$ 76,125	\$ 152,666	\$ -

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5. Fair Value Measurements

The framework for measuring fair value establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2, and 3. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets.

- Level 2 Inputs to the valuation methodology to include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, inputs other than quoted prices that are observable for the instrument, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The instruments' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value.

- Level 1 Instruments consist of publicly traded mutual funds. Publicly traded mutual funds are traded on national exchanges and are valued at the net asset value ("NAV") of shares held at year-end.

The following table presents the fair value measurements of instruments recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at June 30, as follows:

	2024		
	Total	Fair Value Measurements	
	Level 1	Level 2	Level 3
Mutual funds	\$ 9,009,678	\$ 9,009,678	\$ -
Total assets in fair value hierarchy	\$ 9,009,678	\$ 9,009,678	\$ -

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	2023			
	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Mutual funds	\$ 7,864,314	\$ 7,864,314	\$ -	\$ -
Total assets in fair value hierarchy	\$ 7,864,314	\$ 7,864,314	\$ -	\$ -

6. Investments

A summary of the cost and fair value of the Academy's investments as of June 30, is as follows:

	2024			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
	Mutual funds	\$ 8,108,311	\$ 922,946	\$ (21,579)

	2023			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
	Mutual funds	\$ 7,585,261	\$ 334,365	\$ (55,312)

Investment income, net for the years ended June 30, is summarized as follows:

	2024	2023
Interest and dividend income	\$ 310,476	\$ 217,602
Unrealized gains on investments	573,770	696,522
Realized gains (losses) on investments	206,722	(146,219)
	1,090,968	767,905
Less: Investment expenses	31,371	28,641
Total Investment Income, net	\$ 1,059,597	\$ 739,264

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7. Pledges Receivable

Pledges receivable at June 30, consist of unconditional promises to give and are due as follows:

	2024	2023
Less than one year - Current	\$ 1,098,136	\$ 1,074,106
One to five years - Long-term	40,000	2,000,000
	1,138,136	3,074,106
Less:		
Unamortized discount	2,200	105,000
	\$ 1,135,936	\$ 2,969,106

Pledges receivable due in more than one year are to be reflected at the present value of estimated future cash flows using a discount rate of 5.50 percent each year. The amounts are classified on the statements of financial position as follows:

	2024	2023
Pledges receivable current	\$ 1,098,136	\$ 1,074,106
Pledges receivable long-term	37,800	1,895,000
	\$ 1,135,936	\$ 2,969,106

8. Property and Equipment

Property and equipment at June 30, is as follows:

	2024	2023
Land	\$ 161,000	\$ 161,000
Buildings and improvements	5,475,069	5,467,193
Furniture, fixtures and equipment	263,325	259,192
Computer equipment	346,620	346,620
Automobiles	70,307	70,307
Construction in progress	558,944	40,282
	6,875,265	6,344,594
Less accumulated depreciation	2,824,316	2,627,290
	\$ 4,050,949	\$ 3,717,304

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Depreciation expense for the years ended June 30, 2024 and 2023 totaled \$197,026 and \$200,224, respectively.

During the year ended June 30, 2008, the Academy entered into a lease for land with the Cardinal Ritter College Prep High School (the "School") for a term of 99 years. The lease required a one-time payment of \$86,000, which has been capitalized and included in land. The lease states that the land will be used to construct a gymnasium for the Academy. Upon expiration of the 99-year term, the lease will automatically continue in 10-year increments until terminated by either party. Upon expiration or termination of the lease, the Academy will surrender the land and the gymnasium to the School. The adoption of FASB ASC 842, *Leases*, did not result in the recognition of right-of-use assets and lease liabilities.

9. Liquidity and Availability of Financial Assets

The following reflects the Academy's financial assets as of June 30, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside as board designations that could be drawn upon if the Board approves the action.

	2024	2023
Cash and cash equivalents	\$ 2,246,312	\$ 535,166
Pledges receivable	1,135,936	2,969,106
Accounts receivable	-	30,428
Investments	9,009,678	7,864,314
Contractual or donor-imposed restrictions:		
Endowment fund investments	(5,080,046)	(4,323,125)
Other donor restrictions	(2,951,996)	(3,501,492)
Board designations	(1,330,860)	(1,216,605)
Financial Assets Available to Meet		
Cash Needs for Expenditures Within		
One Year	\$ 3,029,024	\$ 2,357,792

Our endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor restricted endowment funds are not available for general expenditure. Our board designated endowment is subject to an annual spending rate of five percent as described in Note 12. Although we do not intend to spend from this board designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available, if necessary.

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The Academy's primary sources of support are contributions, grants, special event income, tuition and fees, state lunch programs and interest and dividend income. Some support is required to be used in accordance with the purpose restrictions imposed by the donors. As part of a liquidity management plan, the Academy invests cash in excess of daily requirements in short-term investments and money market funds.

10. Board Designated Funds

The Academy's Trustees have designated net assets without donor restrictions as follows:

	June 30,	
	2024	2023
Designated for post-secondary education	\$ 576,283	\$ 523,598
Designated for future building repairs	54,317	74,168
Designated for strategic planning operations	700,260	618,839
	\$ 1,330,860	\$ 1,216,605

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	June 30,	
	2024	2023
Subject to expenditures for specified purpose	\$ 2,927,812	\$ 3,476,492
Subject to passage of time	24,184	25,000
	\$ 2,951,996	\$ 3,501,492

Endowments:

	June 30,	
	2024	2023
Investment in perpetuity, the income of which is expendable to support the operations of the Academy	\$ 5,080,046	\$ 4,323,125

Assets released from restrictions for the years ended June 30, are as follows:

	2024	2023
Released from time and purpose restrictions	\$ 881,680	\$ 1,077,869

12. Endowment Funds

The Academy has adopted investment and spending policies, approved by the Trustees, for endowment assets that attempt to provide a predictable stream of funding to the Academy, while also maintaining the purchasing power of those endowment assets over the long-term. Disbursements, other than amounts to pay investment fees, require the approval of the Trustees. The Academy considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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- 1.) The duration and preservation of the fund
- 2.) The purposes of the Academy 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 of the Academy
- 7.) The investment policies of the Academy

Endowment funds at June 30, are as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Restricted endowment fund investments in perpetuity, the income from which is to support the operations of the Academy	<u>\$ 576,283</u>	<u>\$ 5,998,802</u>	<u>\$ 6,575,085</u>

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Restricted endowment fund investments in perpetuity, the income from which is to support the operations of the Academy	<u>\$ 523,598</u>	<u>\$ 5,241,882</u>	<u>\$ 5,765,480</u>

Changes in endowment net assets for the years ended June 30, are as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$ 523,598	\$ 5,241,882	\$ 5,765,480
Contributions	-	756,920	756,920
Investment income	52,685	308,000	360,685
Released for spending	<u>-</u>	<u>(308,000)</u>	<u>(308,000)</u>
Endowment net assets, end of year	<u>\$ 576,283</u>	<u>\$ 5,998,802</u>	<u>\$ 6,575,085</u>

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	2023		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$ 474,891	\$ 5,518,885	\$ 5,993,776
Released for spending	-	(694,604)	(694,604)
Investment income	48,707	417,601	466,308
Endowment net assets, end of year	\$ 523,598	\$ 5,241,882	\$ 5,765,480

The Academy has adopted an endowment fund policy which defines annual income available for appropriation in the amount of up to 5% of the average fair value of the assets held in the endowment fund on the first business day of each of the preceding 12 fiscal quarters. In the event that the annual income is more than the annual appropriations, the difference shall remain with donor restrictions until appropriated. If the annual income is less than the amount appropriated, the difference can be released from net assets with donor restrictions created previously. For the year ended June 30, 2024, the amount appropriated totaled \$308,000. For the year ended June 30, 2023, there was no amount appropriated.

The Academy has adopted a passive investment management philosophy with the objective of enhancing the real purchasing power of the principal while providing a predictable stream of income at an acceptable level of risk. Performance is evaluated by the Academy's finance committee and investment advisors. The Academy's investment policy established a target allocation of 40% fixed income, 42% United States equities, and 18% international equities. For overbalancing purposes, tolerance bands ranging from 10% to 20% of the target are allowed.

13. Contributed Nonfinancial Assets

The Academy received the following contributions of nonfinancial assets for the years ended June 30:

	2024	2023
Supplies	\$ 8,553	\$ 469
Auction items	12,462	11,278
Services	13,726	-
Student gifts	15,911	12,229
	\$ 50,652	\$ 23,976

Contributed school supplies and student gifts received by the Academy are recorded as in-kind revenue with a corresponding increase to school expenses. Contributed supplies and gifts are used in the operation of the Academy's programs.

The Academy receives items to be sold or items that are provided at its various special events. It is the Academy's policy to record contributed auction items at the gross selling price received.

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Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. The Academy received a significant amount of donated services from unpaid volunteers who assist in various fundraising events. No amounts have been recognized in the statements of activities for these services provided by volunteers because the criteria for recognition have not been satisfied. Contributed services were utilized in the Academy's programs.

14. Retirement Plans

The Academy maintains a contributory retirement savings plan under Section 403(b) of the Code covering substantially all employees who meet certain eligibility requirements. Employer contributions to the plan totaled \$98,833 and \$93,791 for the years ended June 30, 2024 and 2023, respectively.

15. Risks and Uncertainties

Concentrations

For the years ended June 30, 2024 and 2023, contributions from one donor were approximately 27 percent and 73 percent of the Academy's contributions, respectively. For each of the years ended June 30, 2024 and 2023, grant revenue from three and two grantors were approximately 57 percent of the Academy's grant revenue. Pledges receivable from one donor were approximately 88 percent and 98 percent of the Academy's pledges during the years ended June 30, 2024 and 2023, respectively.

Concentration of Credit Risk

Financial instruments, which potentially subject the Academy to concentrations of credit risk, consist principally of cash and cash equivalents, receivables and investments. The Academy maintains its cash primarily with two financial institutions. Deposits at these banks are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Cash balances of \$162,933 were in excess of federally insured limits at June 30, 2024. The Academy maintains its investments primarily with one brokerage firm. Securities held at this firm are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000. As of June 30, 2024, there were investment balances of \$8,509,676 in excess of SIPC limits at the brokerage firm.

Investments

The Academy invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position.

**Loyola Academy of St. Louis
Schedules of Operating Income
Years Ended June 30**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Public Support				
Contributions	\$ 1,824,696	\$ 3,376,300	\$ 1,786,294	\$ 1,178,594
Grants	735,252	649,500	572,983	710,385
Special Events, net	769,675	460,109	482,659	733,963
In-kind Contributions	<u>50,652</u>	<u>23,976</u>	<u>9,375</u>	<u>28,274</u>
Total Public Support	<u>3,380,275</u>	<u>4,509,885</u>	<u>2,851,311</u>	<u>2,651,216</u>
Revenues				
Tuition and Fees	112,237	64,605	51,965	56,942
State Lunch Program	75,755	63,362	63,010	40,165
Other Revenue	<u>12,759</u>	<u>6,545</u>	<u>57,617</u>	<u>24,448</u>
Total Revenues	<u>200,751</u>	<u>134,512</u>	<u>172,592</u>	<u>121,555</u>
Total Operating Revenue and Support	<u>3,581,026</u>	<u>4,644,397</u>	<u>3,023,903</u>	<u>2,772,771</u>
Expenses				
Program Services	2,569,487	2,273,670	2,014,633	1,634,702
Supporting Activities				
Management and general	376,505	400,491	504,158	387,862
Fundraising	<u>360,117</u>	<u>393,272</u>	<u>332,620</u>	<u>265,714</u>
Total Expenses	<u>3,306,109</u>	<u>3,067,433</u>	<u>2,851,411</u>	<u>2,288,278</u>
Net Operating Income	<u>\$ 274,917</u>	<u>\$ 1,576,964</u>	<u>\$ 172,492</u>	<u>\$ 484,493</u>
Contributions and Grants Subject to Donor Restrictions Included in Public Support	<u>\$ 781,105</u>	<u>\$ 2,901,000</u>	<u>\$ 525,000</u>	<u>\$ 10,000</u>