

GLORIA DEO ACADEMY
FINANCIAL STATEMENTS
JUNE 30, 2025





INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Gloria Deo Academy
Springfield, Missouri

Opinion

We have audited the accompanying financial statements of Gloria Deo Academy (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year 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 Gloria Deo Academy as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Gloria Deo Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional 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 Gloria Deo Academy'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 Gloria Deo Academy'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.

Sanders, Myer + Blackwell CPAs, UT

Springfield, Missouri
April 10, 2026

GLORIA DEO ACADEMY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

Current Assets

| | | |
|---------------------------|----|-----------|
| Cash and cash equivalents | \$ | 1,040,802 |
| Accounts receivable, net | | 1,257,304 |
| Pledge receivable | | 1,000 |
| Total Current Assets | | 2,299,106 |

Noncurrent Assets

| | | |
|--------------------------------|--|-----------|
| Property and equipment | | 2,401,449 |
| Less: Accumulated depreciation | | (329,896) |
| Total Property and Equipment | | 2,071,553 |

Total Assets **\$ 4,370,659**

LIABILITIES AND NET ASSETS

Current Liabilities

| | | |
|----------------------------------|----|-----------|
| Accounts payable | \$ | 4,013 |
| Payroll taxes payable | | 55,932 |
| Credit card payable | | 7,968 |
| Deferred revenues | | 2,083,966 |
| Current portion of building loan | | 41,608 |
| Total Current Liabilities | | 2,193,487 |

Long Term Liabilities

| | | |
|-----------------------------|--|---------|
| Building loan | | 227,303 |
| Total Long Term Liabilities | | 227,303 |

Net Assets

| | | |
|---|--|-----------|
| Without donor restrictions | | 1,765,922 |
| Without donor restrictions - board designated | | 154,928 |
| With donor restrictions | | 29,019 |
| Total Net Assets | | 1,949,869 |

Total Liabilities and Net Assets **\$ 4,370,659**

See accompanying Independent Auditors' report and notes to financial statements.

GLORIA DEO ACADEMY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

| | Without Donor <u>Restrictions</u> | With Donor <u>Restrictions</u> | <u>Total</u> |
|--|--------------------------------------|-----------------------------------|------------------|
| Revenues, Gains, and Other Support | | | |
| Application and enrollment fees | \$ 143,659 | - | 143,659 |
| Tuition | 2,328,410 | - | 2,328,410 |
| Childcare income | 21,245 | - | 21,245 |
| Curriculum income | 27,974 | - | 27,974 |
| School activities | 228,511 | - | 228,511 |
| Development income | 119,814 | - | 119,814 |
| Donations, including in-kind | 605,083 | 128,011 | 733,094 |
| Interest income | 17,282 | - | 17,282 |
| Net assets released from restrictions | 497,817 | (497,817) | - |
| Other income | 19,274 | - | 19,274 |
| Total Revenue, Gains, and Other Support | <u>4,009,069</u> | <u>(369,806)</u> | <u>3,639,263</u> |
| Cost of Services | | | |
| Curriculum | 18,071 | - | 18,071 |
| School activities | 138,156 | - | 138,156 |
| Development expenses | 44,931 | - | 44,931 |
| Total Cost of Services | <u>201,158</u> | <u>-</u> | <u>201,158</u> |
| Supporting Expenses | | | |
| Program services | 2,361,572 | - | 2,361,572 |
| Administrative and general | 552,383 | - | 552,383 |
| Fundraising | 45,921 | - | 45,921 |
| Total Supporting Expenses | <u>2,959,876</u> | <u>-</u> | <u>2,959,876</u> |
| Total Expenses | <u>3,161,034</u> | <u>-</u> | <u>3,161,034</u> |
| Change in Net Assets | 848,035 | (369,806) | 478,229 |
| Net Assets - Beginning of the Year | <u>1,072,815</u> | <u>398,825</u> | <u>1,471,640</u> |
| Net Assets - End of the Year | <u>\$ 1,920,850</u> | <u>29,019</u> | <u>1,949,869</u> |

See accompanying Independent Auditors' report and notes to financial statements.

GLORIA DEO ACADEMY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

| | <u>Program Services</u> | <u>Administrative and General</u> | <u>Fundraising</u> | <u>Total</u> |
|--|-----------------------------|---------------------------------------|--------------------|---------------------|
| Salaries | \$ 1,616,788 | \$ 339,191 | \$ 39,905 | \$ 1,995,884 |
| Payroll taxes | 138,336 | 29,034 | 3,416 | 170,786 |
| Insurance | 125,358 | 37,057 | - | 162,415 |
| Bad debt | 158,444 | - | - | 158,444 |
| Building maintenance and other building expenses | 58,255 | 21,529 | - | 79,784 |
| Accounting fees, legal and professional fees | 2,680 | 54,186 | - | 56,866 |
| Telephone, internet and utilities | 40,851 | 15,096 | - | 55,947 |
| Software and website expenses | 45,073 | - | 2,600 | 47,673 |
| Office supplies | 31,785 | 11,746 | - | 43,531 |
| Rent | 21,181 | 7,828 | - | 29,009 |
| Interest expense | 19,494 | 7,205 | - | 26,699 |
| Consulting | 9,346 | 3,454 | - | 12,800 |
| Accreditation | 12,301 | - | - | 12,301 |
| Payroll processing fees | 8,598 | 2,715 | - | 11,313 |
| Other expenses | 6,312 | 2,054 | - | 8,366 |
| Bank and merchant fees | 5,113 | - | - | 5,113 |
| Advertising | 3,818 | - | - | 3,818 |
| Rackspace | 2,194 | 811 | - | 3,005 |
| Training | 1,387 | 688 | - | 2,075 |
| Postage | 917 | 339 | - | 1,256 |
| Supplies | 672 | - | - | 672 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenses before depreciation | 2,308,903 | 532,933 | 45,921 | 2,887,757 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | 52,669 | 19,450 | - | 72,119 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenses | <u>\$ 2,361,572</u> | <u>\$ 552,383</u> | <u>\$ 45,921</u> | <u>\$ 2,959,876</u> |

See accompanying Independent Auditors' report and notes to financial statements.

**GLORIA DEO ACADEMY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

| | |
|---|----------------------------|
| OPERATING ACTIVITIES | |
| Change in net assets | \$ 478,229 |
| Non-cash items included in net increase (decrease): | |
| Depreciation | 72,119 |
| (Increase) decrease in operating assets: | |
| Accounts receivable | 491,032 |
| Pledge receivable | (1,000) |
| Increase (decrease) in operating liabilities: | |
| Accounts payable | (33,472) |
| Payroll tax payable | 43,900 |
| Credit card payable | (10,313) |
| Deferred revenues | (133,392) |
| Net Cash Provided (Used) by Operating Activities | <u>907,103</u> |
| INVESTING ACTIVITIES | |
| Purchase of property and equipment | <u>(101,507)</u> |
| Net Cash Provided (Used) by Investing Activities | <u>(101,507)</u> |
| FINANCING ACTIVITIES | |
| Repayments of long-term debt | <u>(453,821)</u> |
| Net Cash Provided (Used) by Financing Activities | <u>(453,821)</u> |
| NET INCREASE (DECREASE) IN CASH, RESTRICTED CASH AND EQUIVALENTS | 351,775 |
| CASH, RESTRICTED CASH, AND EQUIVALENTS - BEGINNING OF YEAR | <u>689,027</u> |
| CASH, RESTRICTED CASH, AND EQUIVALENTS - END OF YEAR | <u><u>\$ 1,040,802</u></u> |

See accompanying Independent Auditors' report and notes to financial statements.

**GLORIA DEO ACADEMY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Company's Business

Gloria Deo Academy (the School), a nonprofit organization incorporated in 2005, located in Springfield and Joplin, Missouri, is an independent school educating students in a historic biblical world view through a rigorous classical curriculum. The goal of Gloria Deo Academy is to develop ethical and wise individuals who will impact their community through service, leadership, and character.

The School is primarily supported by student tuition and fees.

Basis of Accounting

The School uses the accrual method of accounting, which recognizes revenue when earned and expenses when incurred.

Financial Statement Presentation

The School presents its financial statements in accordance with accounting principles generally accepted in the United States. Accordingly, the School reports information regarding its financial position and activities according to two classes of net assets: (1) without donor restrictions (2) with donor restrictions.

Net assets without donor restrictions: Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating objectives of the School. The governing board has designated from net assets without donor restrictions, net assets for specific school purposes. The School has \$154,928 of board designated net assets as of June 30, 2025. The net assets have been designated for operations.

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. The School has \$29,091 of net assets with donor restrictions as of June 30, 2025.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Accounts Receivables

Accounts receivable are reflected net of estimated uncollectible amounts. The allowance is determined based upon a review of account balances older than 90 days. The School charges off receivables to the allowance when all collection efforts have been exhausted. At June 30, 2025, the allowance for uncollectible accounts is \$17,150.

**GLORIA DEO ACADEMY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment and Depreciation

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided principally on the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

| | |
|------------|-------------|
| Equipment | 5-10 years |
| Furniture | 5-10 years |
| Buildings | 40 years |
| Playground | 10-20 years |

The costs of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income. Expenditures for maintenance and repairs are charged to income as incurred; replacements and betterments that significantly extend the useful lives are capitalized.

Long-lived assets held and used by the School are reviewed for impairment whenever events or changes in circumstances indicate that the cost of any long-lived assets may be impaired, and evaluation of recoverability would be performed following generally accepted accounting principles.

Contributions

Contributions received are recorded as net assets with or without donor restrictions depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions, increasing that net asset class. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions. The School chooses to show restricted contributions whose restrictions have been met during the same period as unrestricted support.

Revenue Recognition

The School recognizes revenue from student tuition and fees during the year in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. Payment for tuition is required before the start of the academic year. All amounts received prior to the commencement of an academic year are deferred to the applicable period. Additional information on deferred tuition can be found in Note 9.

The School recognizes revenue from contributions when cash, securities or other assets; an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barriers and a right of return - are not recognized until the conditions on which they depend have been met. A portion of the School’s revenue is derived from special events. Revenue from special events includes sponsorships, ticket sales, and donor contributions. The School recognizes revenue from these events during the year in which the event is held.

**GLORIA DEO ACADEMY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The School has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standard improves the usefulness and understandability of the School's financial reporting. In accordance with the standard, the School has determined that commensurate value is not received and sacrificed by fundraising event sponsors, contributions, and ticket holders. Therefore, the revenues received from the event sponsors, contributions, and ticket holders are not considered within the scope of ASU 2014-09.

As of June 30, 2025, the accounts receivable, net, balance was \$1,257,304.

Donated Property and Equipment

The School had property and equipment donated during the year. Donated property and equipment that meet the criteria for recognition under the provisions of accounting for contributions received and contributions made in regard to financial statements of not-for-profit organizations as discussed under this topic of the FASB Accounting Standards Codification, have been recorded at fair value at the date of donation. For the period ended June 30, 2025, the School received donated property and equipment in the amount of \$50,000.

Advertising

The School's policy is to expense advertising costs when incurred. The School incurred \$3,818 of advertising expense for the year ended June 30, 2025.

Functional Allocation of Expenses

The financial statements report categories of expense that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, insurance, interest, office related expenses and facility which are allocated on the square-footage basis as well as salaries and benefits which are allocated on the basis of estimates of time and effort. All other expenses are directly allocated based on their purpose.

Income Taxes

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The School has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to the Internal Revenue Service are the tax years ending June 30, 2022, 2023, 2024 and 2025. However, the School is not currently under audit nor has the School been contacted by any jurisdiction. Based on the evaluation of the School's tax positions, management believes all tax positions taken would be upheld under examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the year ended June 30, 2025.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect: 1) the reported amounts of assets and liabilities; 2) disclosure of contingent assets and liabilities at the date of the financial statements; and, 3) revenues and expenses during the reporting period. Actual results could differ from these estimates.

**GLORIA DEO ACADEMY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Date of Management Review

Management has evaluated subsequent events through April 10, 2026, the date which the financial statements were available to be issued.

NOTE 2: PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2025 consisted of the following:

| | |
|--------------------------------|---------------------|
| Golden building and remodel | \$ 2,120,910 |
| Furniture | 17,411 |
| Equipment | 186,157 |
| Playground | <u>76,971</u> |
| | <u>2,401,449</u> |
| Less: accumulated depreciation | <u>(329,896)</u> |
| Total Property and Equipment | <u>\$ 2,071,553</u> |

Depreciation expense for the year ended June 30, 2025 is \$72,119.

NOTE 3: PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2025 is \$1,000 and are recorded under accounts receivable, net on the statement of financial position. The balance has been received subsequent to June 30, 2025 and was due within one year.

NOTE 4: NOTES PAYABLE

The School has a building loan that is payable in monthly installments of \$1,783, at interest rate of 8.75 percent and a term of 20 years, maturing in the year 2044. At November 11, 2024, the School entered a period of interest only payments for 12 months, ending in November 2025. The loan balance as of June 30, 2025, was \$198,161.

The School has a line of credit agreement with a maturity date of November 15, 2027 that bears interest at an annual rate of 4.50 percent. The LOC is payable in monthly installments of \$3,435.38 beginning after 18 months of interest only payments. The LOC has a term of 5 years, maturing in the year 2027. The School can draw up to \$540,000 on a revolving basis and it is secured by general business assets of the Company. There was \$70,750 outstanding at June 30, 2025.

**GLORIA DEO ACADEMY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 4: NOTES PAYABLE (CONTINUED)

Maturities of long-term debt are as follows:

| Year Ended <u>June 30</u> | <u>Amount</u> |
|------------------------------|--------------------------|
| 2026 | \$ 41,608 |
| 2027 | 36,415 |
| 2028 | 4,899 |
| 2029 | 5,345 |
| 2030 | 5,832 |
| After | <u>174,812</u> |
| | <u><u>\$ 268,911</u></u> |

NOTE 5: CONTRIBUTED SERVICES

Contributed services are recognized at fair market value if the services received (a) create or enhance the long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the year ended June 30, 2025, no contributed services were recognized in the financial statements.

A number of individuals volunteer their time each year to the School's program and support services. These contributions in-kind are not reflected in the financial statements since these services do not meet the criteria for recognition.

NOTE 6: CONCENTRATION OF CREDIT RISK

The School conducts operations solely in Southwest Missouri and, therefore, is subject to risks from changes in local economic conditions.

The School maintains cash balances at one financial institution. FDIC insurance coverage per depositor account is \$250,000 and all non-interest bearing or low interest bearing accounts (less than .5%) are entirely covered by FDIC insurance. At times, cash balances may have been in excess of insured limits.

The School is highly dependent upon revenues from net tuition and fees charged to students which represent approximately 71% of its total revenue for the year ended June 30, 2025.

**GLORIA DEO ACADEMY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7: LEASES

Gloria Deo Academy rents two current facilities. The School leases its Nixa, MO location from GDA River Stone for \$1,875 per month. The School leases its Springfield, MO location for \$800 per month from Redemption Church. The lease includes use of the facility for education classes and all custodial fees.

The School has elected, by class of underlying asset, not to apply the recognition requirements of ASC 842 to leases that, at commencement, have a lease term of 12 months or less and do not include a purchase option that the School is reasonably certain to exercise, and accordingly does not recognize right-of-use assets or lease liabilities for such leases. Lease payments on short-term leases are recognized as rent expense on a straight-line basis over the lease term.

Rent expense for the year ended June 30, 2025, totaled \$29,009.

NOTE 8: RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions for specific purposes as of June 30, 2025 are as follows:

| | <u>2025</u> |
|---------------|-------------|
| Gym Fund | \$ 17,984 |
| Estis Library | 10,442 |
| Building Fund | 348 |
| Choir Fund | 245 |
| | \$ 29,019 |

NOTE 9: REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about significant changes in the contract liabilities for the years ended June 30, 2025:

| | <u>2025</u> |
|---|--------------|
| Deferred tuition, beginning of year | \$ 2,217,358 |
| Revenue recognized that was included in deferred tuition at the beginning of the year | (2,217,358) |
| Increase in deferred tuition due to cash received during the period | 2,083,966 |
| Deferred tuition, end of year | \$ 2,083,966 |

**GLORIA DEO ACADEMY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 10: SUBSEQUENT EVENTS

In July 2025, it was discovered that the School's roof failed during heavy storms, resulting in water intrusion and damage to certain building areas. The School estimates that the total cost to repair the roof and remediate related water damage is approximately \$75,000, which will be recognized in a subsequent period. Because this event relates to conditions that arose after the balance sheet date, no adjustment has been made to the accompanying financial statements as of and for the period ended June 30, 2025.

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of the School through March 30, 2026, the date which the financial statements were available to be issued.

NOTE 11: LIQUIDITY AND AVAILABILITY

The School's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

| | |
|--|----------------------------|
| | <u>2025</u> |
| Cash and cash equivalents, without restriction | \$ 1,040,802 |
| Accounts receivable, net | 1,257,304 |
| Pledge receivable | <u>1,000</u> |
| Total | <u><u>\$ 2,299,106</u></u> |

None of the financial assets above are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position. The accounts receivables are expected to be collected within one year. The School has a policy to structure its financial assets to be available as its general expenditures liabilities and obligations come due.