

Junior Achievement of OKI Partners, Inc.

Financial Statements

June 30, 2023 and 2022

with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Junior Achievement of OKI Partners, Inc.:

Opinion

We have audited the accompanying financial statements of Junior Achievement of OKI Partners, Inc. (a not-for-profit organization) which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Junior Achievement of OKI Partners, Inc. as of June 30, 2023 and 2022, 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 Junior Achievement of OKI Partners, Inc. 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 the 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 Junior Achievement of OKI Partners, Inc.'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, including omissions, 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 Junior Achievement of OKI Partners, Inc.'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 Junior Achievement of OKI Partners, Inc.'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 audits.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
August 15, 2023

Junior Achievement of OKI Partners, Inc.
Statements of Financial Position
June 30, 2023 and 2022

Assets:	<u>2023</u>	<u>2022</u>
Current assets:		
Cash	\$ 93,375	785,450
Restricted cash	111,495	136,495
U.S. Treasury bills	<u>846,651</u>	<u>-</u>
Cash, restricted cash and cash equivalents	1,051,521	921,945
Pledges receivable, net	10,100	76,732
Accounts receivable from special events	-	25,515
Prepaid expenses	<u>8,603</u>	<u>5,927</u>
Total current assets	<u>1,070,224</u>	<u>1,030,119</u>
Long term assets:		
Investments	<u>76,671</u>	<u>79,023</u>
Total long term assets	<u>76,671</u>	<u>79,023</u>
Total assets	\$ <u><u>1,146,895</u></u>	<u><u>1,109,142</u></u>
Liabilities and net assets:		
Current liabilities:		
Accounts payable	\$ 13,060	-
Accrued liabilities	20,704	31,694
Deferred revenue	<u>142,078</u>	<u>244,963</u>
Total current liabilities	<u>175,842</u>	<u>276,657</u>
Net assets:		
Without donor restrictions	789,347	556,426
With donor restrictions	<u>181,706</u>	<u>276,059</u>
Total net assets	<u>971,053</u>	<u>832,485</u>
Total liabilities and net assets	\$ <u><u>1,146,895</u></u>	<u><u>1,109,142</u></u>

See accompanying notes to the financial statements.

Junior Achievement of OKI Partners, Inc.
Statement of Activities
Year Ended June 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
Public support, revenues and reclassifications:			
Contributions			
Corporate	\$ 240,017	30,111	270,128
Individual	119,073	40,300	159,373
Foundations	<u>76,743</u>	<u>-</u>	<u>76,743</u>
Total contributions	<u>435,833</u>	<u>70,411</u>	<u>506,244</u>
Special events	1,028,625	-	1,028,625
Employee Retention Tax Credit	175,362	-	175,362
Investment return, net	18,264	-	18,264
In-kind contributions	12,318	-	12,318
Other income	6,895	-	6,895
Net assets released from restrictions	<u>164,764</u>	<u>(164,764)</u>	<u>-</u>
Total public support, revenues and reclassifications	<u>1,842,061</u>	<u>(94,353)</u>	<u>1,747,708</u>
Expenses:			
Program services	1,014,007	-	1,014,007
Management and general	57,860	-	57,860
Fundraising	73,597	-	73,597
Special event costs of direct benefits to donors	<u>463,676</u>	<u>-</u>	<u>463,676</u>
Total expenses	<u>1,609,140</u>	<u>-</u>	<u>1,609,140</u>
Change in net assets	232,921	(94,353)	138,568
Net assets, beginning of year	<u>556,426</u>	<u>276,059</u>	<u>832,485</u>
Net assets, end of year	\$ <u>789,347</u>	<u>181,706</u>	<u>971,053</u>

See accompanying notes to the financial statements.

Junior Achievement of OKI Partners, Inc.
Statement of Activities
Year Ended June 30, 2022

	Without Donor Restriction	With Donor Restriction	Total
Public support, revenues and reclassifications:			
Contributions			
Corporate	\$ 115,382	125,950	241,332
Individual	223,719	5,382	229,101
Foundations	<u>185,676</u>	<u>-</u>	<u>185,676</u>
Total contributions	<u>524,777</u>	<u>131,332</u>	<u>656,109</u>
Special events	998,785	-	998,785
Paycheck Protection Program (PPP) grant	136,940	-	136,940
Employee Retention Tax Credit	60,549	-	60,549
Investment return, net	1,693	-	1,693
In-kind contributions	6,629	-	6,629
Other expense	(3,733)	-	(3,733)
Net assets released from restrictions	<u>32,525</u>	<u>(32,525)</u>	<u>-</u>
Total public support, revenues and reclassifications	<u>1,758,165</u>	<u>98,807</u>	<u>1,856,972</u>
Expenses			
Program services	878,924	-	878,924
Management and general	48,185	-	48,185
Fundraising	62,806	-	62,806
Special event costs of direct benefits to donors	<u>444,220</u>	<u>-</u>	<u>444,220</u>
Total expenses	<u>1,434,135</u>	<u>-</u>	<u>1,434,135</u>
Change in net assets	324,030	98,807	422,837
Net assets, beginning of year	<u>232,396</u>	<u>177,252</u>	<u>409,648</u>
Net assets, end of year	\$ <u>556,426</u>	<u>276,059</u>	<u>832,485</u>

See accompanying notes to the financial statements.

Junior Achievement of OKI Partners, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	Program	Management and General	Fundraising	Special Event Costs of Direct Benefit to Donors	Total
Salaries and payroll taxes	\$ 613,712	39,497	56,497	113,169	822,875
Benefits	<u>67,065</u>	<u>3,502</u>	<u>6,242</u>	<u>18,364</u>	<u>95,173</u>
Total salaries, payroll taxes and benefits	680,777	42,999	62,739	131,533	918,048
Education	37,053	-	-	-	37,053
National participation	130,760	-	-	-	130,760
Golf tournament	-	-	-	181,190	181,190
Hall of Fame	-	-	-	95,055	95,055
Shooting Clay Classic	-	-	-	31,473	31,473
Rent	32,563	4,070	4,070	-	40,703
INSPIRE	44,579	-	-	-	44,579
Stock Market Challenge	10,981	-	-	-	10,981
Bowl-a-thon	-	-	-	724	724
Professional fees	17,808	2,226	2,226	-	22,260
Bank & credit card charges	1,405	702	702	11,242	14,051
General insurance	19,865	2,207	-	-	22,072
Telephone	3,269	409	409	-	4,087
Office and computer	12,902	1,612	1,612	-	16,126
Training and meetings	3,527	1,312	-	-	4,839
Dues and subscriptions	3,724	465	465	-	4,654
Equipment lease/maintenance	4,878	610	610	-	6,098
Mileage	2,827	-	314	-	3,141
Meals and entertainment	-	1,012	-	-	1,012
Miscellaneous	243	31	31	-	305
Scholarships	3,000	-	-	-	3,000
In-kind expenses	-	-	-	12,318	12,318
Fundraising	-	-	214	-	214
Postage and delivery	1,636	205	205	-	2,046
Volunteer recognition	766	-	-	-	766
Contract labor	1,444	-	-	-	1,444
Race 4 JA	<u>-</u>	<u>-</u>	<u>-</u>	<u>141</u>	<u>141</u>
	\$ <u>1,014,007</u>	<u>57,860</u>	<u>73,597</u>	<u>463,676</u>	<u>1,609,140</u>

See accompanying notes to the financial statements.

Junior Achievement of OKI Partners, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program	Management and General	Fundraising	Special Event Costs of Direct Benefit to Donors	Total
Salaries and payroll taxes	\$ 545,201	32,785	46,551	100,597	725,134
Benefits	<u>58,150</u>	<u>3,000</u>	<u>5,468</u>	<u>16,124</u>	<u>82,742</u>
Total salaries, payroll taxes and benefits	603,351	35,785	52,019	116,721	807,876
Education	21,441	-	-	-	21,441
National participation	110,631	-	-	-	110,631
Golf tournament	-	-	-	138,538	138,538
Hall of Fame	-	-	-	139,581	139,581
Shooting Clay Classic	-	-	-	30,316	30,316
Rent	30,563	3,820	3,820	-	38,203
INSPIRE	39,576	-	-	-	39,576
Stock Market Challenge	3,670	-	-	-	3,670
Bowl-a-thon	-	-	-	630	630
Professional fees	21,473	2,662	2,662	-	26,797
Bank & credit card charges	1,390	696	696	11,128	13,910
General insurance	16,013	1,779	-	-	17,792
Telephone	3,872	484	484	-	4,840
Office and computer	9,420	1,177	1,177	-	11,774
Training and meetings	3,260	407	407	-	4,074
Dues and subscriptions	1,454	182	182	-	1,818
Equipment lease/maintenance	4,273	534	534	-	5,341
Mileage	1,208	-	134	-	1,342
Miscellaneous	3,781	473	473	-	4,727
Scholarships	1,000	-	-	-	1,000
In-kind expenses	-	-	-	6,629	6,629
Fundraising	-	-	32	-	32
Postage and delivery	1,487	186	186	-	1,859
Volunteer recognition	1,061	-	-	-	1,061
Race 4 JA	<u>-</u>	<u>-</u>	<u>-</u>	<u>677</u>	<u>677</u>
	\$ <u>878,924</u>	<u>48,185</u>	<u>62,806</u>	<u>444,220</u>	<u>1,434,135</u>

See accompanying notes to the financial statements.

Junior Achievement of OKI Partners, Inc.
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 138,568	422,837
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt	1,000	3,733
Realized and unrealized gain on investments	(5,212)	(1,361)
Donated stock	-	(3,580)
Payroll Protection Program (PPP) forgiveness	-	(136,940)
Effects of change in operating assets and liabilities:		
Pledges receivable, net	65,632	(75,331)
Accounts receivable from special events	25,515	(19,029)
Prepaid expenses	(2,676)	14,741
Accounts payable	13,060	(23,891)
Accrued liabilities	(10,990)	(45,441)
Deferred revenue	<u>(102,885)</u>	<u>(4,852)</u>
Net cash provided by operating activities	<u>122,012</u>	<u>130,886</u>
Cash flows from investing activities:		
Proceeds from investment sales	8,091	-
Purchase of investments	<u>(527)</u>	<u>(841)</u>
Net cash provided (used) by investing activities	<u>7,564</u>	<u>(841)</u>
Cash flows from financing activities		
Payments on long-term debt	<u>-</u>	<u>(45,833)</u>
Net cash used by financing activities	<u>-</u>	<u>(45,833)</u>
Net change in cash, restricted cash, and cash equivalents	<u>129,576</u>	<u>84,212</u>
Cash, restricted cash, and cash equivalents at beginning of year	<u>921,945</u>	<u>837,733</u>
Cash, restricted cash, and cash equivalents at end of year	\$ <u><u>1,051,521</u></u>	<u><u>921,945</u></u>

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of operations

The Junior Achievement of OKI Partners, Inc. (the Organization), a not-for-profit organization established under the laws of the State of Ohio, operates as an educational organization. The Organization is dedicated to educating and inspiring youth to value free enterprise and understand business and economics, and to improving the quality of youth lives. The Organization provides over 46,000 K-12 grade students with programming. Volunteers deliver programs that foster work-readiness, entrepreneurship and financial literacy skills, and use experiential learning to prepare them to compete in a global marketplace. The Organization is supported primarily through contributions from the general public.

Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, actual results may differ from estimated amounts.

Basis of presentation

The financial statements of the Organization have been prepared in accordance with GAAP, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- 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 Organization. These net assets may be used at the discretion of the Organization's management and the Governing Board.
- 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 likely be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no net assets with perpetual restrictions at June 30, 2023 and 2022.

Cash, restricted cash, and cash equivalents

For purposes of the statements of cash flows, cash includes cash on hand and cash in checking accounts, restricted cash and U.S. Treasury bills (which have a maturity of less than three months), and does not include cash and cash equivalents held in investment accounts. The Organization maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Restricted cash consists of cash balances on deposit with financial institutions related to donor agreements.

Accounts receivable and the allowance for doubtful accounts

The Organization carries its accounts receivable at the amount billed less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. Management has determined that no allowance is required as of June 30, 2023 and 2022 for accounts receivable.

Fixed assets

Fixed assets are stated at cost, if purchased, and at fair value, if donated or impaired, and depreciated over the estimated useful lives of the related assets ranging from 3 to 7 years. Depreciation is computed using the straight-line method. Maintenance and repairs are charged to operations when incurred. Significant betterments and renewals greater than \$5,000 are capitalized. Fixed assets became fully depreciated during fiscal year 2021.

Investments

Investments in equity securities with readily determinable fair values are reported at their fair values in the statements of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Dividends, interest income, realized gains and losses on security transactions, unrealized holding gains or losses on investments and investment expenses are included as net investment return on the statements of activities.

Revenue recognition – exchange transactions

The Organization derives exchange transaction revenue from a portion of special events. This revenue is generally recognized at the time the event takes place, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for delivery of the event. Incidental items that are immaterial in the context of the contracts are recognized as expense. The Organization does not have any significant financing components as payment is received at or shortly after the point of sale. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year.

Special events revenue includes both an exchange and a contribution component. The portion of the gross proceeds paid by the participant that represents payment for the direct cost of the benefits received by the participant at the event is the exchange component. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization.

The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are included in special events costs of direct benefits to donors on the statements of functional expenses and totaled \$463,676 and \$444,220 for the years ended June 30, 2023 and 2022, respectively. Special event fees collected by the Organization in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after delivery of the event. Deferred revenue, which is considered a contract liability, of \$142,078 and \$244,963 at June 30, 2023 and 2022, respectively, consists of deferred special event fees. At July 1, 2021, accounts receivable from special events totaled \$6,486 and deferred revenue and refundable advances totaled \$249,815.

Revenue recognition – contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are reported as increases in net assets without donor restrictions unless specifically restricted by a donor. Amounts received that are designated for specific purposes are reported as increases in net assets with donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are met. Unconditional promises to give, due in subsequent years, are reported at present value net of estimated uncollectible pledges. There are no conditional promises to give at June 30, 2023 and 2022.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions which are satisfied in the period the donation is received are reported as net assets without donor restrictions.

One funder provided 14% of the Organization's contribution revenue for the year ended June 30, 2023. No funders represented more than 10% of the Organizations contribution revenue for the year ended June 30, 2022.

Pledges receivable

Pledges receivable, which include unconditional promises to give, are recognized as revenues in the period the Organization is notified of the commitment. The Organization reports pledges receivable due within one year at net realizable value. Pledges receivable due in more than one year are recognized as revenues at their net present value based on the risk-free rate in the period in which the donor commits to the pledge. The Organization provides an allowance for uncollectible pledges, which is based upon a review of outstanding receivables, external researched information and existing economic conditions.

Contributed services

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individual providing the service and the service would typically need to be purchased if not donated. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

In-kind donations

The Organization receives certain in-kind donations during the year, which are recorded at fair market value as in-kind contribution revenue and an expense in the financial statements. For the year ended June 30, 2023, \$12,318 was received for donated items for event prizes, valued based on amounts the Organization would have paid to acquire the items. For the year ended June 30, 2022, \$6,629 was received as in-kind rent, based on amounts provided by the landlord.

Functional expense allocations

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon the actual direct expenditures and cost allocations based upon estimates of time spent by our personnel. The most significant allocations are salaries and related expenses, which were allocated based upon time spent by Organization personnel.

Income taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Organization is classified as a publicly supported organization, not as a private foundation. Charitable contributions to the Organization qualify for deduction under the Internal Revenue Code. Management believes the Organization does not have any unrelated business income.

Adoption of new accounting standards

Effective July 1, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842 *Leases*, using the modified retrospective method with the effective date option for all leases existing at July 1, 2022, the date of initial application. Consequently, financial information will not be updated and disclosures required under ASC 842 will not be provided for periods before July 1, 2022. The adoption of this ASC 842 had no impact on the Organization's financial statements due to all leases of the Organization being less than one year in duration.

Subsequent events

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through August 15, 2023, the date on which the financial statements were available to be issued.

Reclassifications

Certain amounts previously reported in 2022 have been reclassified to conform to current year presentation. These reclassifications had no effect on 2022 net assets or change in net assets.

2. PLEDGES RECEIVABLE:

Pledges receivable are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Due within one year	\$ 10,200	76,832
Less allowance for doubtful accounts	<u>(100)</u>	<u>(100)</u>
Total pledges receivable, net	<u>\$ 10,100</u>	<u>76,732</u>

At June 30, 2023, six donors made up 88% of pledges receivable. At June 30, 2022, two donors made up 91% of pledges receivable.

3. FAIR VALUE MEASUREMENTS:

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). 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 assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs for the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

Fair value methods and assumptions on investments (consisting of money market funds, common stock, and fixed income mutual funds) are based on the Level 1 market approach.

The preceding methods described may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables present the Organization's assets at June 30, 2023 and 2022 that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy:

	June 30, <u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 13,635	13,635	-	-
Common stocks	24,284	24,284	-	-
Fixed income mutual funds	<u>38,752</u>	<u>38,752</u>	<u>-</u>	<u>-</u>
	<u>\$ 76,671</u>	<u>76,671</u>	<u>-</u>	<u>-</u>

Junior Achievement of OKI Partners, Inc.
Notes to the Financial Statements
June 30, 2023 and 2022

	June 30, <u>2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 20,081	20,081	-	-
Common stocks	38,470	38,470	-	-
Fixed income mutual funds	<u>20,472</u>	<u>20,472</u>	<u>-</u>	<u>-</u>
	<u>\$ 79,023</u>	<u>79,023</u>	<u>-</u>	<u>-</u>

4. FIXED ASSETS:

Fixed assets consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Office equipment	\$ 25,791	25,791
Furniture and fixtures	<u>22,983</u>	<u>22,983</u>
	48,774	48,774
Less accumulated depreciation	<u>48,774</u>	<u>48,774</u>
	\$ <u>-</u>	<u>-</u>

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes at June 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specific purpose:		
Director of Corporate Partnership	\$ 30,111	25,000
Cincinnati Public School 8 th Graders	-	30,000
Economics for Success and Beyond	<u>30,000</u>	<u>-</u>
	60,111	55,000
Subject to the passage of time:		
Pledges receivable	10,100	76,732
Castleberry Fund	<u>111,495</u>	<u>144,327</u>
	<u>121,595</u>	<u>221,059</u>
Total net assets with donor restrictions:	\$ <u>181,706</u>	<u>276,059</u>

Net assets released from donor restrictions during 2023 and 2022 were \$164,764 and \$32,525, respectively, by incurring expenses satisfying the restricted purposes and the passage of time.

6. LIQUIDITY DISCLOSURES:

The Organization is supported by contributions received from donors, grants and fundraising events. As part of the Organization's liquidity management, cash and cash equivalents should be managed in such a way as to meet annual cash needs for operating expenditures, including the primary mission of educating youth in the principles of free enterprise, including work readiness, entrepreneurship and financial literacy. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. This includes investing cash in excess of current operating requirements in short-term investments and money market funds.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at June 30:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash, restricted cash, and cash equivalents	\$ 1,051,521	921,945
Pledges receivables, net	10,100	76,732
Accounts receivable from special events	-	25,515
Investments	76,671	79,023
Allowable distribution from donor-restricted fund	<u>25,000</u>	<u>25,000</u>
Financial assets available at year-end	1,163,292	1,128,215
Less those unavailable for general expenditures within one year due to:		
Restricted by donor for specified purpose	60,111	55,000
Restricted cash less allowable distribution	<u>86,495</u>	<u>111,495</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,016,686</u>	<u>961,720</u>

7. FUNDS HELD BY COMMUNITY FOUNDATIONS:

A special fund exists at the Dayton Foundation for the benefit of the Organization and all income of the fund is distributed annually to the Organization for its general purposes. Since the Dayton Foundation owns and controls the fund, the fund is not recorded on the Organization's statements of financial position at June 30, 2023 and 2022. The fair value of the investment fund at June 30, 2023 and 2022 was \$12,796 and \$11,891, respectively. No amounts were received in 2023 or 2022.

A special fund exists at the Hamilton Community Foundation for the benefit of the Organization and all income of the fund is distributed annually to the Organization for its general purposes. Since the Hamilton Community Foundation owns and controls the fund, the fund is not recorded on the Organization's financial statements at June 30, 2023 and 2022. The fair value of the investment fund at June 30, 2023 and 2022 was \$80,994 and \$77,749, respectively. The Organization received \$57 in 2022 for its general purposes. No amounts were received in 2023.

8. NOTE PAYABLE:

On May 18, 2020, the Organization entered an unsecured promissory note for \$50,000 with the Achievement Foundation. The note originally matured in March 2024, was non-interest bearing and was payable in equal quarterly installments of \$4,167 beginning on June 30, 2021. The outstanding balance for the note payable as of June 30, 2021 was \$45,833. The note was paid in full during 2022.

9. PAYCHECK PROTECTION PROGRAM (PPP) GRANT:

On February 19, 2021, the Organization received a forgivable loan of \$136,940 under the Small Business Administration's Paycheck Protection Program (PPP) Second Draw Loan. The loan had an interest rate of 1% and was originally due in February 2026. On August 6, 2021, the Organization received official notice of forgiveness and recognized the full amount of the second loan as revenue on the statement of activities.

10. EMPLOYEE RETENTION TAX CREDITS:

On December 27, 2020, the Consolidated Appropriations Act 2021 (CAA) was signed into law, which substantially expanded the Employee Retention Tax Credit program (ERTC) to allow eligible employers to claim a credit on qualified wages retroactively to March 12, 2020. Eligibility and credit calculations under ERTC include meeting requirements based on a decline in gross receipts during a comparative quarter.

During fiscal years 2023 and 2022, the Organization filed for and received credits of \$175,362 and \$60,549, respectively, under the Program and recognized the credits on the statement of activities during the years ended June 30, 2023 and 2022.

11. DEFINED CONTRIBUTION PLAN:

Starting on August 1, 2019, the Organization is a participating employer in the Junior Achievement USA defined contribution 401(k) profit sharing plan covering substantially all employees meeting minimum age and service requirements. The Organization's contributions to the plan are determined annually by the Board of Directors. The Organization expensed \$23,882 and \$22,698 related to the 401(k) plan for the years ended June 30, 2023 and 2022, respectively.

12. HEALTH AND WELFARE BENEFIT TRUST AND POSTRETIREMENT BENEFITS PLAN:

Health and welfare benefits trust

The Organization has a self-funded medical, dental and other benefits plan covering full-time employees of the Organization and their beneficiaries and covered dependents. The plan is accounted for like a multi-employer plan. Premiums are paid into the Health and Welfare Plan for each participant by the participating employers. Employees of Junior Achievement USA, JA Worldwide, Inc. and employees of Junior Achievement USA chapters, including the Organization, can participate in the Health and Welfare Plan. All the assets and liabilities of the Health and Welfare Plan are held in the Junior Achievement USA Health and Welfare Benefits Trust (Benefits Trust). Accordingly, no balances or transactions of the Benefits Trust are recorded in the financial statements of the Organization. The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2023 and 2022 was \$71,289 and \$60,044, respectively.

Postretirement benefits plan

The Health and Welfare Plan also offers health care benefits to retired personnel of the participating employees. This creates an implicit rate subsidy, which is considered to be a postretirement benefit. Management of the Organization does not believe the implicit rate subsidy amount to be material to the Organization, especially since the plan is a multi-employer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the financial statements of the Organization.

13. RELATED PARTY TRANSACTIONS:

The Organization pays a national participation fee to JA USA calculated annually as 11.5% of gross revenue up to \$1,000,000, 9.5% of gross revenue from \$1,000,001 to \$2,000,000, and 7.5% on any gross revenue over that. The total fees paid for the years ended June 30, 2023 and 2022 were \$130,760 and \$110,631, respectively. Amounts due to JA USA as of June 30, 2023 were \$11,853. No amounts were due to JA USA as of June 30, 2022.

Additionally, the Organization purchases all program materials from JA USA. Coverage payments for benefits paid on behalf of the Organization's employees are made to JA USA, who sponsors a comprehensive benefit package.

The total payments to JA USA were:

	<u>2023</u>	<u>2022</u>
National participation fee	\$ 130,760	110,631
Program materials	37,053	21,441
Medical benefits	71,289	60,044
Retirement plan	<u>23,882</u>	<u>22,698</u>
	<u>\$ 262,984</u>	<u>214,814</u>

