



**CLARK SCHAEFER HACKETT**  
BUSINESS ADVISORS

**Business Professionals of America, Inc.**  
Financial Statements  
June 30, 2023 and 2022  
(with Independent Accountants' Review Report)

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

Board of Trustees  
Business Professionals of America, Inc.  
Columbus, Ohio

We have reviewed the accompanying financial statements of Business Professionals of America, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Business Professionals of America, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying 2023 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Prior Period Financial Statements**

The 2022 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated March 2, 2023. We have not performed any auditing procedures since that date.

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
January 10, 2024

Business Professionals of America, Inc.  
 Statements of Financial Position  
 June 30, 2023 (Reviewed) and 2022 (Audited)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 845,293	924,842
Accounts and rebates receivable, net of allowance for doubtful accounts of \$7,739 and \$10,928, respectively	168,182	218,986
Prepaid expenses	57,809	37,839
Inventory	28,475	51,734
	1,099,759	1,233,401
Property, plant and equipment:		
Office equipment	141,214	125,660
Furniture and fixtures	9,395	9,395
	150,609	135,055
Less accumulated depreciation	87,350	60,395
	63,259	74,660
Other assets:		
Beneficial interest in assets held by others	155,065	139,376
Operating leases right-of-use assets	30,614	-
	185,679	139,376
	\$ 1,348,697	1,447,437

See independent accountants' review report.  
 See accompanying notes to the financial statements.

Business Professionals of America, Inc.  
 Statements of Financial Position (Continued)  
 June 30, 2023 (Reviewed) and 2022 (Audited)

	2023	2022
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 78,431	109,552
Accrued compensation and taxes	54,536	43,023
Accrued expenses	85,604	97,284
Deferred revenue	-	33,417
Operating lease liabilities, current portion	24,662	-
	243,233	283,276
Liabilities-		
Operating lease liabilities, less current portion	6,138	-
Net assets:		
Without donor restrictions	1,021,006	1,085,841
With donor restrictions	78,320	78,320
	1,099,326	1,164,161
	\$ 1,348,697	1,447,437

See independent accountants' review report.  
 See accompanying notes to the financial statements.

Business Professionals of America, Inc.  
Statement of Activities  
Year Ended June 30, 2023 (Reviewed)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenue and support:			
Memberships:			
Secondary	\$ 574,792	-	574,792
Post-secondary	22,848	-	22,848
Middle level	20,457	-	20,457
Alumni	2,025	-	2,025
Advisors/professional	31,623	-	31,623
National Leadership Conference:			
Secondary registrations	567,766	-	567,766
Post-secondary registrations	36,478	-	36,478
Middle level registrations	55,713	-	55,713
Advisor registrations	111,171	-	111,171
Tours and attractions	154,619	-	154,619
Guest registrations and fees	55,954	-	55,954
Room refunds	242,745	-	242,745
Exhibitor fees	6,250	-	6,250
Other program fees	54,642	-	54,642
Contributions/sponsorships	98,481	-	98,481
Publications and related material	113,853	-	113,853
Special event	7,254	-	7,254
Investment returns, net	98	-	98
Change in beneficial interest in assets held by others	15,689	-	15,689
Miscellaneous	114,040	-	114,040
Net assets released from restriction	-	-	-
	<u>2,286,498</u>	<u>-</u>	<u>2,286,498</u>
Expenses:			
Program	2,008,487	-	2,008,487
Management and general	250,063	-	250,063
Fundraising	92,783	-	92,783
	<u>2,351,333</u>	<u>-</u>	<u>2,351,333</u>
Change in net assets	(64,835)	-	(64,835)
Net assets - beginning of year	<u>1,085,841</u>	<u>78,320</u>	<u>1,164,161</u>
Net assets - end of year	\$ <u><u>1,021,006</u></u>	<u><u>78,320</u></u>	<u><u>1,099,326</u></u>

See independent accountants' review report.  
See accompanying notes to the financial statements.

Business Professionals of America, Inc.  
Statement of Activities  
Year Ended June 30, 2022 (Audited)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenue and support:			
Memberships:			
Secondary	\$ 464,274	-	464,274
Post-secondary	21,728	-	21,728
Middle level	15,291	-	15,291
Alumni	1,070	-	1,070
Advisors/professional	32,456	-	32,456
National Leadership Conference:			
Secondary registrations	417,824	-	417,824
Post-secondary registrations	25,581	-	25,581
Middle level registrations	38,391	-	38,391
Advisor registrations	100,633	-	100,633
Tours and attractions	90,359	-	90,359
Guest registrations and fees	42,021	-	42,021
Room refunds	271,725	-	271,725
Exhibitor fees	6,840	-	6,840
Other program fees	48,167	-	48,167
Contributions/sponsorships	80,853	-	80,853
Publications and related material	128,203	-	128,203
Special event	9,317	-	9,317
Investment returns, net	144	-	144
Change in beneficial interest in assets held by others	(9,071)	-	(9,071)
Miscellaneous	15,572		15,572
Net assets released from restriction	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
	<u>1,806,378</u>	<u>(5,000)</u>	<u>1,801,378</u>
Expenses:			
Program services	1,496,359	-	1,496,359
Management and general	226,862	-	226,862
Fundraising	<u>68,995</u>	<u>-</u>	<u>68,995</u>
	<u>1,792,216</u>	<u>-</u>	<u>1,792,216</u>
Change in net assets	14,162	(5,000)	9,162
Net assets - beginning of year	<u>1,071,679</u>	<u>83,320</u>	<u>1,154,999</u>
Net assets - end of year	<u>\$ 1,085,841</u>	<u>78,320</u>	<u>1,164,161</u>

See independent accountants' review report.  
See accompanying notes to the financial statements.

Business Professionals of America, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2023 (Reviewed)

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages, taxes and benefits	\$ 510,592	172,915	57,663	741,170
Exhibit, conference and admissions	-	-	3,845	3,845
Awards and gifts	67,507	2,697	899	71,103
Authorships expense	24,000	-	-	24,000
Computer IT and website	40,048	6,723	60	46,831
Credit card, bank fees and lockbox	8,216	2,782	928	11,926
Utilities, trash removal and telephone	4,320	1,463	488	6,271
Depreciation	-	26,955	-	26,955
Entertainment	169,561	-	-	169,561
Equipment rental	81,376	4,644	1,549	87,569
General insurance	6,377	2,160	720	9,257
General taxes	141	48	16	205
Lodging and facilities	457,319	106	5,475	462,900
Meals and employee relations	53,677	50	1,297	55,024
Miscellaneous	27,216	1,628	691	29,535
Office expense, printing and supplies	41,633	10,505	8,075	60,213
Postage and shipping	8,852	1,835	2,569	13,256
Product purchases	73,785	-	-	73,785
Professional services	249,498	7,916	2,640	260,054
Seminars and speakers	8,000	-	-	8,000
Temp, contract and professional labor	27,247	89	30	27,366
Training and education	-	7,420	-	7,420
Tours	91,952	-	-	91,952
Travel and transportation	57,170	127	5,838	63,135
	<u>\$ 2,008,487</u>	<u>250,063</u>	<u>92,783</u>	<u>2,351,333</u>

See independent accountants' review report.  
See accompanying notes to the financial statements.



Business Professionals of America, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2022 (Audited)

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages, taxes and benefits	\$ 397,061	160,352	53,451	610,864
Exhibit, conference and admissions	-	-	49	49
Awards and gifts	71,869	2,029	676	74,574
Authorships expense	23,550	-	-	23,550
Computer IT and website	34,349	5,879	-	40,228
Credit card, bank fees and lockbox	7,096	2,866	955	10,917
Utilities, trash removal and telephone	3,998	1,615	538	6,151
Depreciation	-	23,549	-	23,549
Entertainment	78,052	-	-	78,052
Equipment rental	60,355	3,582	1,194	65,131
General insurance	2,265	915	305	3,485
General taxes	130	53	18	201
Lodging and facilities	155,350	-	1,010	156,360
Marketing expense	7,970	-	-	7,970
Meals and employee relations	98,280	-	49	98,329
Miscellaneous	16,463	514	269	17,246
Office expense, printing and supplies	36,289	6,313	3,833	46,435
Postage and shipping	6,780	1,314	594	8,688
Product purchases	32,360	-	-	32,360
Professional services	227,328	17,623	5,874	250,825
Seminars and speakers	7,495	-	-	7,495
Temp, contract and professional labor	13,490	228	76	13,794
Tours	94,733	-	-	94,733
Travel and transportation	121,096	30	104	121,230
	<u>\$ 1,496,359</u>	<u>226,862</u>	<u>68,995</u>	<u>1,792,216</u>

See independent accountants' review report.  
See accompanying notes to the financial statements.

Business Professionals of America, Inc.  
 Statements of Cash Flows  
 Years Ended June 30, 2023 (Reviewed) and 2022 (Audited)

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (64,835)	9,162
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	26,955	23,549
Change in beneficial interest in assets held by others	(15,689)	9,071
Non-cash lease expense	186	-
Effects of changes in operating assets and liabilities:		
Accounts and rebates receivable	50,804	(144,847)
Prepaid expenses	(19,970)	(1,047)
Inventory	23,259	(4,406)
Accounts payable	(31,121)	39,334
Accrued compensation and taxes	11,513	(32,710)
Accrued expenses	(11,680)	95,542
Deferred revenue	(33,417)	10,667
	(63,995)	4,315
Net cash flows from operating activities	(63,995)	4,315
Cash flows from investing activities-		
Purchase of property and equipment	(15,554)	(16,575)
Change in cash and cash equivalents	(79,549)	(12,260)
Cash and cash equivalents - beginning of year	924,842	937,102
Cash and cash equivalents - end of year	\$ <u>845,293</u>	<u>924,842</u>

See independent accountants' review report.  
 See accompanying notes to the financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following principles and practices of Business Professionals of America, Inc. (the Organization) are set forth to facilitate the understanding of data presented in the financial statements.

### **Nature of activities**

The Organization is a not-for-profit Ohio corporation. The Organization is the national headquarters for all state and local chapters of Business Professionals of America, Inc. The Organization provides overall leadership, administration, and coordination for all chapters as well as providing goods and services to members. However, the accompanying financial statements reflect only the activity of the national headquarters and not the state and local chapters.

### **Basis of accounting**

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

### **New Accounting Standard**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued additional ASUs, which amended and clarified Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organization elected to adopt these ASUs effective July 1, 2022. The Organization also elected multiple practical expedients. These included transition elections that permitted the Organization to not reassess prior conclusions about lease identification, lease classification, and initial direct costs for existing or expired leases, as well as not assessing existing land easements under the new standard. In addition, the Organization adopted ongoing accounting policies to not recognize right-of-use ("ROU") assets and lease liabilities for leasing arrangements with terms of less than one year. The adoption had a material impact on the Organization's statement of financial position but did not have a material impact on the statements of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Upon adoption, the Organization recognized operating lease right-of-use assets of \$61,072 and corresponding operating lease liabilities of \$61,072.

### **Basis of presentation**

The Organization reports 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 Board of Trustees.

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. The Organization does not have net assets that are perpetual in nature at June 30, 2023 or 2022.

**Cash equivalents**

The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Beneficial interest in assets held by others**

Beneficial interest in assets held by others represents the Organization's interest in investments held by the Columbus Foundation, which are comprised of various equity funds, alternative assets, income funds and cash. The underlying holdings are all based on unadjusted quoted market prices and the related investment income, realized and unrealized gains and losses net of investment fees included in the accompanying statements of activities as a change in beneficial interest in assets held by others.

**Receivables**

Receivables consist of amounts due from schools for membership and conference, rent and room rebates. The receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

**Property and depreciation**

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Major expenditures for property acquisitions and those expenditures which substantially increase useful lives are capitalized. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets.

**Inventory**

Inventory of merchandise purchased for resale is stated at cost.

**Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Income taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

**Revenue recognition**

Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire within the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction, depending on the nature of the restrictions. When a restriction expires or the intended objective is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Dues are recognized as revenue on a straight-line basis over the school year that generally runs from August to June.

Conference revenue is based on performance obligations at a point in time which is the completion of the conference. Conference revenue received in advance is deferred to the applicable period in which the performance obligation is performed. Contract assets and liabilities consisted of \$74,139 in accounts receivable and \$22,750 in deferred revenue as of July 1, 2021.

### **Leases**

The Organization considers an arrangement a lease if, at inception, the arrangement transfers the right to control the use of an identified asset for a period of time in exchange for consideration. Under leasing standards, control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liability in the statements of financial position.

The lease term reflects the noncancellable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably certain that it will exercise such option. The Organization uses the risk-free rate for a period of time similar to the lease term, determined at the lease commencement date, in determining the present value of lease payments. The risk-free rate is used as the information necessary to determine the rate implicit in the lease and the Organization's incremental borrowing rate is not readily available. The Organization has lease agreements with lease and non-lease components, which are generally accounted for as a single lease. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Short-term leases are less than one year without purchase or renewal options that are reasonably certain to be exercised and are recognized on a straight-line basis over the lease term. The right-of-use asset is tested for impairment in accordance with ASC 360.

### **Functional allocation of expenses**

The costs of providing the various programs and activities have been summarized on the functional basis in the statements of activities. Accordingly, salaries, professional services, and other costs have been allocated among the programs and supporting services benefited based on estimates of employee time and effort and costs incurred by specific programs.

### **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 January 10, 2024, the date on which the financial statements were available to be issued.

**2. TAX-DEFERRED ANNUITY PLAN:**

The Organization has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. All full-time employees that have completed one year of service are eligible to participate in the plan. The Organization makes discretionary contributions to the plan (currently contributions are 6% of the employee's salary). Contributions to the plan totaled \$31,616 and \$28,371 for the years ended June 30, 2023 and 2022, respectively. In addition, employees could make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code.

**3. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS:**

The Organization has made contributions to The Columbus Foundation (the Foundation). The contributions were made primarily to stimulate contributions from third parties and so that these funds could be managed using the Foundation's investment management expertise, with the expectation that the Organization could periodically, as determined by the Organization's Board of Trustees, take distributions to fund the Organization's operations. If the Organization ceases to exist or if the Board of Trustees of either the Organization or the Foundation determines that support of the Organization is no longer necessary or is inconsistent with the needs of the community, the Foundation retains the right to substitute another beneficiary in the place of the Organization. The possibility that these circumstances will arise is remote. The funds held by the Foundation on behalf of the Organization are aggregated and shown as a beneficial interest in assets held by others in the accompanying statements of financial position.

**4. DESCRIPTION OF PROGRAM SERVICES:**

The Organization holds an annual five-day meeting of members and advisors to participate in the Workplace Skills Assessment Program, elect national officers, develop leadership skills and develop networks through extracurricular tours and activities. The conference is held in a different city every year and the activities change accordingly. The Organization also holds smaller meetings each July and January for administration and planning purposes.

**5. NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions consisted of the following at June 30:

	2023	2022
Scholarships	\$ 33,042	33,042
New programs	24,224	24,224
Educational purposes	21,054	21,054
	\$ 78,320	78,320

**6. OPERATING LEASE OBLIGATIONS:**

The Organization leases copiers and a building under various material operating leases with terms expiring through 2024. Variable lease costs, such as the Organization's proportionate share of actual costs for utilities, common area maintenance, property taxes and insurance that are not included in the lease liability and month-to-month leases are recognized in the period in which they are incurred.

As of June 30, 2023, the Organization has not entered into any material leases expected to commence in 2024.

For the year ended June 30, 2023, the Organization had the following recorded in operating expenses associated with lease arrangements:

Lease expense:	
Operating lease expense	\$ 31,730
Variable lease expense	<u>11,233</u>
	<u>\$ 42,963</u>

Other Information:

Weighted-average remaining lease term in years for operating leases	1.15 years
Weighted-average discount rate for operating leases	2.85%

Rent expense for operating leases under ASC 840 was \$32,552 for the year ended June 30, 2022.

The following is an analysis of maturities of lease liabilities as of June 30:

2024	\$ 25,112
2025	<u>6,160</u>
	31,272
Less imputed interest	<u>472</u>
	<u>\$ 30,800</u>

Non-cash lease expense on the statement of cash flows includes the amortization of the lease right-of-use asset of \$30,458, offset by a change in the lease liability of \$30,272 for the year ended June 30, 2023. Lease payments within operating activities were \$42,777 for the year ended June 30, 2023.

**7. CONCENTRATION OF CREDIT RISK:**

The Organization maintains cash deposits with financial institutions located in the United States. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of June 30, 2023 and 2022, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

**8. FAIR VALUE MEASUREMENTS:**

GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

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

- Level 1 – inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access;
- Level 2 – inputs, other than quoted prices in active markets, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability which rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following table presents the Organization’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at June 30:

<u>June 30, 2023</u>	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Beneficial interest in assets held by others	\$ <u>          -</u>	<u>          -</u>	<u>      155,065</u>	<u>      155,065</u>

<u>June 30, 2022</u>	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Beneficial interest in assets held by others	\$ <u>          -</u>	<u>          -</u>	<u>      139,376</u>	<u>      139,376</u>

Fair value for the beneficial interest in assets held by others is determined by underlying interests in funds held by The Columbus Foundation, which are primarily invested in marketable securities with quoted market prices.



Changes in fair value of beneficial interest in assets held by others, which are measured on a recurring basis using significant unobservable (Level 3) input:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 139,376	148,447
Change in value of beneficial interest in assets held by others	<u>15,689</u>	<u>(9,071)</u>
Balance at end of year	\$ <u>155,065</u>	<u>139,376</u>

**9. PURCHASE COMMITMENTS:**

The Organization signed agreements for use of facilities during National Leadership Conferences expected to take place through the year 2024. These agreements contain cancellation policies for which the Organization could be required to pay a fee in the event of a cancellation. No liabilities for cancellation fees have been recorded in these financial statements.

**10. LIQUIDITY:**

The Organization is substantially supported by membership dues and contributions, some of which come with donor restrictions. As a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those requirements to its donors. Therefore, financial assets may not be available for general expenditures within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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 and cash equivalents	\$ 845,293	924,842
Accounts and rebates receivable, net	168,182	218,986
Beneficial interest in assets held by others	<u>155,065</u>	<u>139,376</u>
Financial assets available at year-end	1,168,540	1,283,204
Less those unavailable for general expenditures within one year due to:		
Restricted by donor with time or purpose restriction	78,320	78,320
Beneficial interest in assets held by others	<u>155,065</u>	<u>139,376</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>935,155</u>	<u>1,065,508</u>

