

GO FOR GREAT SCHOOLS, INC.

Financial Statements

Year Ended December 31, 2023

With

Independent Auditor's Report



GO FOR GREAT SCHOOLS, INC.

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Independent Auditor's Report

To the Board of Directors
GO for Great Schools, Inc.
Tulsa, Oklahoma

Opinion

We have audited the accompanying financial statements of GO for Great Schools, Inc. (the "Organization"), which comprise of the statement of cash receipts and disbursements for the year ended December 31, 2023, along with the statement of functional expenses, and the related notes to the financial statements (collectively, the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GO for Great Schools, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with the cash basis of accounting, as described in Note 1.

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 GO for Great Schools, Inc. 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the cash basis of accounting. These financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible 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 GO for Great Schools, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 GO for Great Schools, 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 GO for Great Schools, 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 audit.

MORSE & CO., PLLC

Tulsa, Oklahoma
June 28, 2024

GO FOR GREAT SCHOOLS, INC.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2023

Contributions:	
Business	\$ 1,877,232
Individuals	464,281
Matching	4,667
	<u>2,346,180</u>
Total receipts	
	<u>2,346,180</u>
Other income and receipts	
Distributions from TCF and other investments	1,919,575
Dividends, interest income and realized gain (loss)	94,786
	<u>2,014,361</u>
Total other income and receipts	
	<u>2,014,361</u>
Disbursements:	
Scholarships	1,637,805
Disbursements to TCF and other investments	1,334,230
Innovation grants	205,491
Business management fees	103,905
Payment processing fees	19,739
Accounting fees	14,283
Office	9,291
Expenses from investments	6,560
Advertising	2,253
Meetings	1,524
	<u>3,335,081</u>
Total disbursements	
	<u>3,335,081</u>
Net change in cash, cash equivalents, and restricted cash	1,025,460
Cash, cash equivalents, and restricted cash, beginning of year	<u>2,008,761</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 3,034,221</u>

See independent auditor's report and notes to financial statements.

GO FOR GREAT SCHOOLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program	General and Administrative	Fundraising	Total
Scholarships	\$ 1,637,805	\$ -	\$ -	\$ 1,637,805
Disbursements to TCF and other investments	1,334,230	-	-	1,334,230
Innovation grants	205,491	-	-	205,491
Business management fees	34,343	27,172	42,390	103,905
Payment processing fees	-	19,739	-	19,739
Accounting fees	-	14,283	-	14,283
Office	-	9,291	-	9,291
Expenses from investments	6,560	-	-	6,560
Advertising	-	2,253	-	2,253
Meetings	-	1,524	-	1,524
Total	<u>\$ 3,218,429</u>	<u>\$ 74,262</u>	<u>\$ 42,390</u>	<u>\$ 3,335,081</u>

See independent auditor's report and notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

GO for Great Schools, Inc. (the “Organization”) is an Oklahoma nonprofit corporation whose primary purpose is to raise money to improve educational outcomes and to assist schools and communities in delivering a high-quality education to students throughout the State of Oklahoma.

Basis of Accounting

The Organization maintains their accounting records on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The cash basis of accounting differs from GAAP primarily because revenues are recognized when received rather than when earned and expenses are recorded when paid rather than when incurred. The financial statements therefore present only cash and cash equivalents and changes therein in the form of cash receipts and disbursements.

Contributions received with donor-imposed restrictions are recorded as unrestricted if the restrictions are met within the same period. Contributions for which restrictions are not met in the same period are recognized as temporarily restricted. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

Investments

The Organization maintains investments with Tulsa Community Foundation and other financial institutions. Investments consist of marketable securities that are measured at the fair value of the underlying investments.

Revenue Recognition

As stated in the Basis of Accounting section of Note 1, the Organization operates under the cash basis of accounting, with revenues and their related assets being recognized when received rather than when earned. Therefore, contributions are recorded when received rather than when the donor makes an unconditional promise to give to the Organization. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. All contributions are considered without donor restrictions unless specifically restricted by the donor or subject to other legal restrictions.

The Organization provides services to customers as grants and scholarships. However, due to the nature of the Organization’s operations, these are provided at no cost to the customers, thus revenue is not recognized nor received for these services rendered.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within limitations prescribed by the Code. The Organization has been classified as a publicly-supported organization, which is not a private foundation under Section 509(a) of the code.

As of December 31, 2023, the unrecognized tax benefit accrual was zero. The Organization will recognize future interest and penalties related to unrecognized tax benefits in income tax expense, if incurred. Generally, the Organization’s tax information filings remain open for three years for examination by tax authorities.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as paid. Advertising expense for the year ended December 31, 2023 was \$2,253.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of cash receipts and disbursements. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include business management fees, which are allocated on the basis of estimates of time and effort. The percentage allocation is based on interviews with administrative personnel regarding time spent on various functions and is reviewed periodically by management.

Subsequent Events

The Organization has evaluated subsequent events through June 28, 2024, the date the financial statements were available to be issued.

NOTE 2 - RESTRICTED FUNDS

To ensure observance of limitations and restrictions on the use of resources available to the Organization, the Organization only allows contributors to designate up to 90% of the total amount contributed. The other 10% is retained first to pay any expenses and then to be used to fund other grants to schools. The restricted funds at December 31, 2023 was \$2,730,799.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of cash receipts and disbursements date, comprise the following:

Cash and cash equivalents	<u>\$ 303,422</u>
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The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization relies primarily on corporate and individual donations to fund its normal day-to-day operations.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates within a balanced budget and anticipates collecting sufficient revenues to cover general expenditures.

NOTE 4 - MANAGEMENT AGREEMENT

In 2019, the Organization entered into an agreement with Agility Partners, LLC to provide business management services. The Organization's Board of Directors engaged independent legal counsel to negotiate the terms of the agreement based on a term sheet approved in 2018 and undertook a special review process to ensure that the final agreement was fair and reasonable to the Organization and that such review process satisfied the rebuttable presumption of reasonableness. The Board of Directors periodically reviews the agreement and makes changes as necessary based on the needs and goals of the Organization.

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GO FOR GREAT SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE 5 - RELATED PARTY TRANSACTIONS

The Organization has entered into an agreement with GO Power Schools, LLC, a related party under common control, to provide Educational Improvement Grant Organization (EIGO) and Scholarship Grant Organization (SGO) services. GO Power Schools, LLC also makes contributions to the Organization. During the year ended December 31, 2023, the Organization paid GO Power Schools, LLC \$23,905 for EIGO and SGO services, and received \$6,700 in contributions.

NOTE 6 - SUPPLEMENTAL CASH INFORMATION

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the statement of cash receipts and disbursements.

Cash and cash equivalents	\$ 303,422
Restricted cash	<u>2,730,799</u>
Total cash, cash equivalents, and restricted cash shown in the statement of cash receipts and disbursements	<u><u>\$ 3,034,221</u></u>

NOTE 7 - CONCENTRATION OF CREDIT AND MARKET RISK

The Organization's financial instruments exposed to concentrations of credit and market risk consist primarily of cash and cash equivalents, marketable securities and other investments. The Organization maintains its cash and investment balances at local banks and financial institutions. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at December 31, 2023. Investment balances are insured by the Securities Investor Protection Act (SIPA) up to \$500,000 at December 31, 2023. At December 31, 2023, certain balances exceeded the insured FDIC and SIPC limits. However, management believes the risk related to these deposits is minimal.