

JOE'S KIDS, INC.
FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Joe's Kids, Inc.
Warsaw, Indiana

We have reviewed the accompanying financial statements of Joe's Kids, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – income tax basis, as of December 31, 2023 and 2022, and the related statements of revenues, expenses, and other changes in net assets – income tax basis, the statements of functional expenses – income tax basis, the statements of cash flows – income tax basis for the years 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 entity 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 the basis of accounting the entity uses for income tax purposes; this includes determining that the basis of accounting the entity uses for income tax purposes is an acceptable basis for the preparation of the financial statements 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements 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 the basis of accounting the entity uses for income tax purposes. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Since 1943

We are required to be independent of Joe's Kids, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the basis of accounting the entity uses for income tax purposes.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the basis of accounting the entity uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Dahms & Garian, Inc.

Warsaw, Indiana
July 24, 2024

JOE'S KIDS, INC.

STATEMENTS OF ASSETS, LIABILITIES, AND
NET ASSETS - INCOME TAX BASIS
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,129,585	\$ 230,103
Accounts receivable	64,508	66,493
Prepaid expenses	9,182	3,435
Total Current Assets	<u>\$ 1,203,275</u>	<u>\$ 300,031</u>
PROPERTY AND EQUIPMENT		
Computers and software	\$ 28,839	\$ 23,256
Leasehold improvements	17,940	17,940
Office furniture & equipment	96,273	96,273
Construction in progress	1,398,774	-0-
	<u>\$ 1,541,826</u>	<u>\$ 137,469</u>
Less: accumulated depreciation	111,648	94,359
Property and Equipment - Net	<u>\$ 1,430,178</u>	<u>\$ 43,110</u>
OTHER ASSETS		
Beneficial Interest in Assets	<u>\$ 13,073</u>	<u>\$ 11,976</u>
	<u><u>\$ 2,646,526</u></u>	<u><u>\$ 355,117</u></u>

See accompanying notes and independent accountant's review report.

STATEMENTS OF ASSETS, LIABILITIES, AND
NET ASSETS - INCOME TAX BASIS (CONTINUED)
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Credit cards payable	\$ 1,076	\$ 5,822
Current portion long-term debt	39,341	-0-
Total Current Liabilities	<u>\$ 40,417</u>	<u>\$ 5,822</u>
LONG-TERM LIABILITIES		
Mortgage payable	\$ 900,000	\$ -0-
Less: current portion	(39,341)	-0-
Total Long-Term Liabilities - Net	<u>\$ 860,659</u>	<u>\$ -0-</u>
Total Liabilities	<u>\$ 901,076</u>	<u>\$ 5,822</u>
NET ASSETS		
Net assets without donor restrictions	\$ 1,080,983	\$ 283,243
Net assets with donor restrictions	664,467	66,052
Total Net Assets	<u>\$ 1,745,450</u>	<u>\$ 349,295</u>
	<u><u>\$ 2,646,526</u></u>	<u><u>\$ 355,117</u></u>

See accompanying notes and independent accountant's review report.

JOE'S KIDS, INC.

STATEMENTS OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET ASSETS - INCOME TAX BASIS
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue and Gains		
Contributions	\$ 241,320	\$ 78,473
Grants	241,700	149,800
Interest income	3,500	134
Miscellaneous income	1,054	688
ERC income	497,483	-0-
Rental income	850	2,930
Tutoring income	93,700	21,040
Fundraising - net	247,100	209,341
Therapy services - net	<u>1,020,645</u>	<u>853,714</u>
Total Revenue and Gains Without Donor Restrictions	\$ 2,347,352	\$ 1,316,120
Net Assets Released from Restrictions		
Restrictions satisfied by payments	<u>\$ 338,259</u>	<u>\$ 150,187</u>
Total Revenue, Gains, and Other Support Without Donor Restrictions	\$ 2,685,611	\$ 1,466,307
EXPENSES AND LOSSES		
Total Expenses and Losses	<u>\$ 1,887,871</u>	<u>\$ 1,428,678</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 797,740</u>	<u>\$ 37,629</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	\$ 318,541	\$ 133,221
Grants	617,036	16,966
Appreciation of Beneficial Interest in Assets	1,097	(2,419)
Net Assets Released from Restrictions	<u>(338,259)</u>	<u>(150,187)</u>
Increase (Decrease) in Net Assets with Donor Restrictions	<u>\$ 598,415</u>	<u>\$ (2,419)</u>
CHANGE IN NET ASSETS	\$ 1,396,155	\$ 35,210
NET ASSETS AT BEGINNING OF YEAR	<u>349,295</u>	<u>314,085</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,745,450</u></u>	<u><u>\$ 349,295</u></u>

See accompanying notes and independent accountant's review report.

JOE'S KIDS, INC.

STATEMENT OF FUNCTIONAL EXPENSES - INCOME TAX BASIS

Year ended December 31, 2023

	Total Program	Management and General	Fundraising	Total
Accounting and billing	\$ 90,250	\$ 16,072	\$ -0-	\$ 106,322
Bad debt expense	12,998	-0-	-0-	12,998
Bank service charges	6,460	6,459	-0-	12,919
Compliance	21,751	-0-	-0-	21,751
Depreciation	18,113	-0-	-0-	18,113
Dues and subscriptions	2,408	11,196	-0-	13,604
Employee appreciation	2,095	735	-0-	2,830
Hiring expense	2,404	575	-0-	2,979
Information technology	4,356	5,585	-0-	9,941
Insurance	9,602	-0-	-0-	9,602
IRA employer match	23,311	2,805	1,598	27,714
Marketing	797	796	2,002	3,595
Meals	129	-0-	-0-	129
Mileage	129	63	-0-	192
Miscellaneous	2,200	-0-	-0-	2,200
Office supplies	2,662	2,663	-0-	5,325
Payroll Taxes	61,414	21,933	4,074	87,421
Postage and shipping	1,052	1,051	-0-	2,103
Printing and reproduction	1,163	1,164	-0-	2,327
Professional development	30,667	495	-0-	31,162
Professional licensing	3,471	-0-	-0-	3,471
Refunds to patients	11,524	-0-	-0-	11,524
Rent	45,343	37,098	-0-	82,441
Repairs and maintenance	28,825	18,290	-0-	47,115
Salary and wages	861,443	313,406	62,118	1,236,967
Telephone and internet	3,930	3,929	-0-	7,859
Therapy supplies	7,415	-0-	-0-	7,415
Translation services	315	-0-	-0-	315
Trash	140	140	-0-	280
Travel	356	-0-	-0-	356
Tutoring expenses	63,676	32,782	-0-	96,458
Utilities	6,186	5,062	-0-	11,248
Campaign expenses	4,344	4,344	-0-	8,688
Loss on asset disposal	507	-0-	-0-	507
Fundraising expenses	-0-	-0-	99,961	99,961
Total Expenses	<u>\$ 1,331,436</u>	<u>\$ 486,643</u>	<u>\$ 169,753</u>	<u>\$ 1,987,832</u>

See accompanying notes and independent accountant's review report.

JOE'S KIDS, INC.

STATEMENT OF FUNCTIONAL EXPENSES - INCOME TAX BASIS

Year ended December 31, 2022

	Total Program	Management and General	Fundraising	Total
Accounting and billing	\$ -0-	\$ 12,095	\$ -0-	\$ 12,095
Bad debt expense	9,157	-0-	-0-	9,157
Bank service charges	5,287	5,286	-0-	10,573
Compliance	16,925	-0-	-0-	16,925
Depreciation	16,018	-0-	-0-	16,018
Dues and subscriptions	1,455	4,402	-0-	5,857
Employee appreciation	1,462	731	-0-	2,193
Hiring expense	2,612	10,449	-0-	13,061
Information technology	5,654	4,437	-0-	10,091
Insurance	17,564	-0-	-0-	17,564
IRA employer match	18,297	2,697	1,595	22,589
Marketing	2,211	2,210	135	4,556
Meals	33	-0-	-0-	33
Mileage	193	83	-0-	276
Miscellaneous	2,242	-0-	-0-	2,242
Office supplies	2,959	2,960	-0-	5,919
Payroll Taxes	51,922	19,113	4,067	75,102
Postage and shipping	610	609	-0-	1,219
Printing and reproduction	619	618	-0-	1,237
Professional development	27,784	3,502	-0-	31,286
Professional licensing	1,428	-0-	-0-	1,428
Refunds to patients	6,702	-0-	-0-	6,702
Rent	45,343	37,098	-0-	82,441
Repairs and maintenance	21,870	14,222	-0-	36,092
Salary and wages	694,908	245,512	55,444	995,864
Telephone and internet	3,299	3,300	-0-	6,599
Therapy supplies	12,953	-0-	-0-	12,953
Translation services	210	-0-	-0-	210
Travel	69	-0-	-0-	69
Tutoring expenses	11,266	9,656	-0-	20,922
Utilities	3,782	3,094	-0-	6,876
Fundraising expenses	-0-	-0-	54,116	54,116
Loss on asset disposal	529	-0-	-0-	529
Total Expenses	<u>\$ 985,363</u>	<u>\$ 382,074</u>	<u>\$ 115,357</u>	<u>\$ 1,482,794</u>

See accompanying notes and independent accountant's review report.

JOE'S KIDS, INC.

STATEMENTS OF CASH FLOWS - INCOME TAX BASIS

Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,396,155	\$ 35,210
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	18,113	16,018
Realized (gain) loss on disposal of property and equipment	507	529
(Increase) decrease in:		
Accounts receivable	1,985	(9,815)
Prepaid expenses	(5,747)	-0-
Other assets	(1,097)	2,418
Increase (decrease) in:		
Credit cards payable	<u>(4,746)</u>	<u>2,366</u>
Net Cash Provided by Operating Activities	\$ 1,405,170	\$ 46,726
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction in progress	\$ (1,398,774)	\$ -0-
Purchase of fixed assets	<u>(6,914)</u>	<u>(18,013)</u>
Net Cash Provided (Used) by Investing Activities	\$ (1,405,688)	\$ (18,013)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loan borrowings	<u>\$ 900,000</u>	<u>\$ -0-</u>
Net Cash Provided by Financing Activities	<u>\$ 900,000</u>	<u>\$ -0-</u>
NET INCREASE (DECREASE) IN CASH	\$ 899,482	\$ 28,713
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>230,103</u>	<u>201,390</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,129,585</u></u>	<u><u>\$ 230,103</u></u>

See accompanying notes and independent accountant's review report.

JOE'S KIDS, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Joe's Kids, Inc. (Organization) is a not-for-profit organization incorporated in 2013 in the State of Indiana. The Organization is a pediatric rehabilitation center serving special needs children of Kosciusko County and surrounding areas. The Organization exists to help each child reach their maximum level of independence through physical, occupational, and speech therapy and tutoring.

Income Tax Basis of Accounting – The accompanying financial statements are presented on the basis of accounting used for income tax reporting. That basis differs from generally accepted accounting principles because the Organization has not recognized balances of trade payables and pledges receivable and their related effects on earnings.

Classification and Reporting of Net Assets - The Organization's financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) in its Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities". Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. A description of the net asset classes follows:

Net assets with donor restrictions represent the portion of net assets that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Net assets without donor restrictions represent the portion of net assets of the Organization that are not restricted by donor-imposed stipulations. Net assets without donor restrictions include expendable funds available for the support of the Organization.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Certificates of deposit are recorded at cost. Interest is recognized when received, consequently, accrued interest receivable has not been recorded. Interest is paid annually on certificates of deposit.

Advertising - The Organization expenses advertising costs as they are incurred because the probable future benefit of the advertising is short-term.

JOE'S KIDS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023 and 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation - Property and equipment is stated at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated tax basis useful lives of the related assets. The estimated useful lives used for the computer equipment, office furniture, and equipment are 3-7 years. Assets retired or otherwise disposed of are removed from the respective accounts, and any gain or loss is recognized in current income. The Organization capitalizes additions of property and equipment in excess of \$1,000 cost or fair value, if donated. The cost of maintenance and repair which does not extend the life of the asset is charged to current operations.

Accounts Receivable - Accounts are charged to bad debts expense as they are deemed uncollectible by the Organization. This is based upon the Organization's periodic review of accounts, consideration of economic conditions, business conditions, and collection efforts. All receivables are due within one year. Receivables from contracts with customers consisted of the following at December 31, 2023, 2022, and 2021; \$66,011, \$68,521, and \$58,527, respectively.

Revenue and Revenue Recognition - It is the Organization's policy to record contributions, grants, and investment earnings that are restricted as to time of use or purpose of use as net assets with donor restrictions, and then transfer them to net assets without donor restrictions once the restriction is met. This policy is applied even if the restriction is met within the same year the contribution, grant, or earnings are received or earned. All other contributions, grants, and earnings are recorded as net assets without donor restrictions depending on the absence or presence of donor restriction.

The Organization recognizes revenue from the sale of therapy services when the performance obligation of providing the services are met. Contributions are recognized when the donor makes payment to the Organization that is, in substance, unconditional.

Use of Estimates - The preparation of financial statements in conformity with the income tax basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Donated Materials and Services - Donated materials are recorded as contributions in the accompanying statements at fair value at date of receipt. Donated services are not recorded as a contribution in the accompanying statements.

JOE'S KIDS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023 and 2022

NOTE B - LEASE AGREEMENTS

The Organization entered into a 1-year building lease with monthly payments of \$6,870. The lease term expired December 31, 2023. The lease agreement includes an options to renew the lease on a month to month basis in 2024. The rent expense for the years ended December 31, 2023 and 2022 was \$82,441 and \$82,441, respectively. The Organization moved into a new facility which they own in 2024.

NOTE C - DONATED MATERIALS AND SERVICES

During the years ended December 31, 2023 and 2022, the Organization received minimal donated materials. While the Organization does have volunteers and students who observe, the hours donated were not available. The Organization received donated pieces of equipment for the years ended December 31, 2023 and 2022 in the amount of \$-0- and \$-0-, respectively.

NOTE D - INCOME TAX

The Organization is incorporated as a not-for-profit under the laws of the State of Indiana and is exempt from federal and state income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. The Organization believes that it has appropriate support for tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2020.

NOTE E - CONCENTRATION OF REVENUE SOURCES

For the years ended December 31, 2023 and 2022, approximately 31% and 11%, respectively, of the Organization's revenue was derived from grants from other organizations. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term.

NOTE F – FUNDRAISING EXPENSES

Expenses relating to fundraising events in the amounts of \$99,961 and \$54,116 for the years ended December 31, 2023 and 2022, respectively; have been netted against fundraising income on the Statement of Revenues, Expenses, and other Changes in Net Assets – Income Tax Basis.

JOE'S KIDS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023 and 2022

NOTE G - POSTRETIREMENT BENEFIT PLAN

The Organization has a SIMPLE plan covering all employees who receive at least \$5,000 in compensation for the calendar year. The Organization will make a matching contribution equal to the employee's salary reduction up to 3% of the employee's compensation. The matching contribution for the years ended December 31, 2023 and 2022 was \$27,714 and \$22,589, respectively.

NOTE H - CONCENTRATION OF CREDIT RISK

The definition of a financial instrument includes cash and demand deposits in banks. The demand deposits in banks in excess of \$250,000 per financial institution represents a concentration of credit risk within that account due to the limits of insurability as set forth by the Federal Deposit Insurance Corporation (FDIC). The Organization has a contractual right to receive currency on demand, and the bank has a contractual obligation to deliver currency on demand. In the case of a bank failure, accounts of deposits in excess of that federally insured amount may be subject to loss. From time to time, the Organization may have amounts on deposit in excess of FDIC limits. The Organization's deposits exceeded federally insured limits by \$482,077 and \$0- at December 31, 2023 and 2022, respectively.

NOTE I – COST ALLOCATION

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of time and effort estimates; occupancy and maintenance costs, which are allocated on a square footage basis; and office expenses and repairs, which are allocated based on usage studies conducted by management annually.

NOTE J – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$1,194,093 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$1,129,585 and accounts receivable of \$64,508. Financial assets totaling \$13,073 are subject to donor restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The accounts receivable are subject to implied time restrictions but are expected to be collected within one year. The available financial assets may be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress.

JOE'S KIDS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023 and 2022

NOTE K – ENDOWMENT FUNDS

The Organization has transferred assets to the Kosciusko County Community Foundation (the "Foundation") which is holding them as an endowed component fund ("Fund") for the benefit of the Organization. The Organization has granted the Foundation variance power which gives the Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation's investment and spending policies which currently result in a distribution to the Organization of 4% of the average quarterly value over the previous 20 quarters. The Organization reports the fair value of the Fund as provided by the Foundation as Beneficial Interest in Assets in the Statements of Assets, Liabilities, and Net Assets – Income Tax Basis and reports distributions received as investment income. Changes in the value of the Fund are reported as gains and losses in the Statements of Revenues, Expenses, and Other Changes in Net Assets – Income Tax Basis.

Balance at January 1, 2023	\$ 11,976
Amounts invested in Fund	-0-
Share of appreciation of fund	<u>1,097</u>
Balance at December 31, 2023	<u>\$ 13,073</u>

NOTE L – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, as of December 31, 2023 and 2022, are restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
Restricted		
Tutoring	\$ 79,897	\$ 54,076
Building capital campaign	571,497	-0-
Beneficial Interest in the Foundation	<u>13,073</u>	<u>11,976</u>
	<u>\$ 664,467</u>	<u>\$ 66,052</u>

JOE'S KIDS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023 and 2022

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 24, 2024, the date on which the financial statements were available to be issued. The Organization continues to raise money thru the capital campaign and make renovations to the new facility.

NOTE N – EMPLOYEE RETENTION TAX CREDITS (“ERC”)

The Organization is eligible for the Employee Retention Tax Credit (“ERC”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) of 2020, as modified by the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021. For the year ended December 31, 2020, the ERC provides a refundable tax credit against certain employment taxes of up to \$5,000 per employee. For the year ended December 31, 2021, the ERC provides a refundable tax credit against certain employment taxes of up to \$7,000 per employee for each of the first three quarters of 2021.

The Organization is eligible for total tax credits of \$497,483 through the ERC for the quarters ending June 30, 2020; September 30, 2020; December 31, 2020; March 31, 2021; and June 30, 2021. The Organization filed for these credits in the year ended December 31, 2023 and because all conditions associated with ERC eligibility had been met, the Organization recognized the total amount of \$497,483 as revenue in the Statement of Revenues, Expenses, and Other Changes in Net Assets – Income Tax Basis for the year ended December 31, 2023. The fees associated with filing the amended returns totaled \$90,250 and is recorded as a program expense in the Statement of Functional Expenses – Income Tax Basis.

The Organization is accounting for the credits as a conditional contribution under ASC 958-605.

NOTE O – LONG-TERM LIABILITIES

Long-term liabilities consisted of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Mortgage payable – First United Methodist Church; monthly payments of \$6,885 including interest at 4.5%; secured by a building, due January 2039.	\$ <u>900,000</u>	\$ <u>-0-</u>
.	\$ <u>900,000</u>	\$ <u>-0-</u>
Less: current portion	<u>39,341</u>	<u>-0-</u>
Long-Term Liabilities – Net	<u>\$ <u>860,659</u></u>	<u>\$ <u>-0-</u></u>

JOE'S KIDS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2023 and 2022

NOTE O – LONG-TERM LIABILITIES (Continued)

Estimated maturities on long-term liabilities are as follows:

2024	\$ 39,341
2025	\$ 44,806
2026	\$ 46,865
2027	\$ 49,018
2028	\$ 51,269