



JUNIOR ACHIEVEMENT OF SOUTHWESTERN INDIANA, INC.
FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023

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Member of American Institute of Certified Public Accountants and Indiana CPA Society

Junior Achievement of Southwestern Indiana, Inc.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Junior Achievement of Southwestern Indiana, Inc.

Opinion

We have audited the accompanying financial statements of Junior Achievement of Southwestern Indiana, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2024 and 2023, 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 Southwestern Indiana, Inc. as of June 30, 2024 and 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Junior Achievement of Southwestern Indiana, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Junior Achievement of Southwestern Indiana, 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 Junior Achievement of Southwestern Indiana, 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 Southwestern Indiana, 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.

Timothy J. Ost CPA PC

Evansville, IN
November 4, 2024

Junior Achievement of Southwestern Indiana, Inc.
Statement of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 174,411	\$ 390,115
Certificates of Deposits	26,333	31,779
Current Investments	3,689,551	-
Pledges Receivable	120,144	105,327
Inventory	10,775	24,635
Prepaid Assets	15,495	20,358
Total Current Assets	4,036,709	572,214
Long Term Assets		
Investments	151,286	4,019,831
Agency Endowment Fund	107,437	102,500
Operating Lease right-of-use asset	65,610	92,409
Fixed Assets		
Land and Building (Note 5)	10,000	-
Office Furniture and Equipment	257,836	250,925
Less: Accumulated Depreciation	(216,832)	(197,244)
Total Fixed Assets	51,004	53,681
Total Long Term Assets	375,337	4,268,421
Total Assets	\$ 4,412,046	\$ 4,840,635
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 55,950	\$ 14,289
Accrued Expenses	43,832	46,751
Deferred Revenue	172,614	53,120
Current Portion of right-of-use Operating Lease Liability	27,511	25,811
Total Current Liabilities	299,907	139,971
Long Term Liabilities		
Right-of-use Operating Lease Liability, net of current portion	40,076	67,587
Total Long Term Liabilities	40,076	67,587
Net Assets:		
Net Assets without Donor Restrictions	706,524	732,159
Board Designated Net Assets	875,880	862,064
Total Net Assets without Donor Restrictions	1,582,404	1,594,223
Net Assets with Donor Restrictions	2,489,659	3,038,854
Total Net Assets	4,072,063	4,633,077
Total Liabilities and Net Assets	\$ 4,412,046	\$ 4,840,635

See notes to financial statements

Junior Achievement of Southwestern Indiana, Inc.
Statement of Activities
For the Year Ended June 30, 2024

	Net Assets Without Donor Restrictions		Net Assets With Donor Restrictions	2024
	Operating	Board Designated		
Public Support and Revenues				
Contributions:				
Corporate	\$ 205,047	\$ -	\$ 205,047	\$ 212,272
Individual	31,328	-	31,328	31,328
Foundations	88,775	-	88,775	88,775
Total Contributions	325,150	-	325,150	332,375
Special Events- Gross	469,213	-	469,213	469,213
Public Sector Funding	-	-	-	-
Investment Return, net	194,608	5,363	199,971	199,971
Unrealized Gains and (Losses)	-	8,453	8,453	13,390
Realized Gains and (Losses)	-	-	-	-
In-Kind Contributions	1,000	-	1,000	1,000
Other Income	-	-	-	-
Net Assets Released	471,687	-	471,687	(471,687)
Purpose restrictions	89,670	-	89,670	(89,670)
Time restrictions	1,551,328	13,816	1,565,144	(549,195)
Total Public Support and Revenue	1,136,408	-	1,136,408	1,136,408
Expenses	310,981	-	310,981	310,981
Program Services	129,574	-	129,574	129,574
Fundraising	1,576,963	-	1,576,963	1,576,963
Management and General	(25,635)	13,816	(11,819)	(549,195)
Total Expenses	732,159	862,064	1,594,223	3,038,854
CHANGE IN NET ASSETS				(561,014)
NET ASSETS- beginning of year				4,633,077
NET ASSETS- end of year	\$ 706,524	\$ 875,880	\$ 1,582,404	\$ 2,489,659
				\$ 4,072,063

See notes to financial statements

Junior Achievement of Southwestern Indiana, Inc.
Statement of Activities
For the Year Ended June 30, 2023

	Net Assets Without Donor Restrictions			Net Assets	2023
	Operating	Board Designated	Total	With Donor Restrictions	
Public Support and Revenues					
Contributions:					
Corporate	\$ 334,144	\$ -	\$ 334,144	\$ 65,000	\$ 399,144
Individual	50,689	-	50,689	500	51,189
Foundations	65,169	700,000	765,169	2,498,800	3,263,969
Total Contributions	450,002	700,000	1,150,002	2,564,300	3,714,302
Special Events- Gross	334,135	-	334,135	-	334,135
Public Sector Funding	-	-	-	-	-
Investment Return, net	80,059	7,495	87,554	-	87,554
Unrealized Gains and (Losses)	-	800	800	4,790	5,590
Realized Gains and (Losses)	-	-	-	-	-
In-Kind Contributions	2,008	-	2,008	-	2,008
Other Income	-	-	-	-	-
Net Assets Released	155,890	-	155,890	(155,890)	-
Purpose restrictions	49,250	-	49,250	(49,250)	-
Time restrictions	1,071,344	708,295	1,779,639	2,363,950	4,143,589
Total Public Support and Revenue					
Expenses					
Program Services	765,683	-	765,683	-	765,683
Fundraising	228,552	-	228,552	-	228,552
Management and General	116,489	-	116,489	-	116,489
Total Expenses	1,110,724	-	1,110,724	-	1,110,724
CHANGE IN NET ASSETS	(39,380)	708,295	668,915	2,363,950	3,032,865
NET ASSETS- beginning of year	771,539	153,769	925,308	674,904	1,600,212
NET ASSETS- end of year	\$ 732,159	\$ 862,064	\$ 1,594,223	\$ 3,038,854	\$ 4,633,077

See notes to financial statements

Junior Achievement of Southwestern Indiana, Inc.
Statement of Functional Expenses
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
PROGRAM SERVICES		
Direct Costs:		
Program Expenses	\$ 143,829	\$ 108,713
Travel, Training & Conferences	45,213	20,604
Marketing	10,487	5,160
Miscellaneous	-	394
Bad Debts	9,782	-
Franchise Fees	138,851	71,669
	<u>348,162</u>	<u>206,540</u>
Allocated Costs:		
Salaries & Benefits	567,622	451,709
Other Allocated Management & General	220,624	107,434
	<u>788,246</u>	<u>559,143</u>
Total Program Services	<u>1,136,408</u>	<u>765,683</u>
FUNDRAISING		
Direct Costs:		
Special Events	<u>149,012</u>	<u>127,596</u>
Allocated Costs:		
Salaries & Benefits	116,635	81,559
Other Allocated Management & General	45,334	19,397
	<u>161,969</u>	<u>100,956</u>
Total Fundraising	<u>310,981</u>	<u>228,552</u>
MANAGEMENT AND GENERAL		
Salaries & Benefits	777,565	627,373
Supplies & Computers	30,176	16,958
Miscellaneous	11,156	3,237
Facilities, Ins., & Utilities	73,448	56,598
Professional Fees	167,855	52,549
Depreciation	19,588	19,873
Subtotal	<u>1,079,788</u>	<u>776,588</u>
Less: Allocated to Program Services	(788,246)	(559,143)
Less: Allocated to Fundraising	(161,968)	(100,956)
Total Management and General	<u>129,574</u>	<u>116,489</u>
	<u>\$ 1,576,963</u>	<u>\$ 1,110,724</u>

See notes to financial statements

Junior Achievement of Southwestern Indiana, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (561,014)	\$ 3,032,865
Adjustments to Reconcile Increase (Decrease) in Net Assets to net cash provided by operating activities:		
Depreciation	19,588	19,873
Realized and Unrealized (gains) or losses	(13,390)	(5,590)
(Increase) Decrease in Operating Assets:		
Pledges Receivable	(14,817)	41,664
Prepaid Expenses	4,863	(18,926)
Inventory	13,860	(20,036)
Right-of use- Operating Lease Asset	26,799	(92,409)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable/Accrued Expenses	38,742	(29,113)
Deferred Revenue	119,494	(142,960)
Right-of use- Operating Lease Liability	(25,811)	93,398
Net Cash Provided (Used) by Operating Activities	(391,686)	2,878,766
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(16,911)	-
Purchase of Investments	(141,730)	(3,689,095)
Proceeds from Sale of Investments	376,940	-
Net Change in Cash Equivalents included in Investments	(42,317)	5,586
Net Cash Provided (Used) by Investing Activities	175,982	(3,683,509)
Net Increase (Decrease) in Cash	(215,704)	(804,743)
Cash- beginning of year	390,115	1,194,858
Cash- end of year	\$ 174,411	\$ 390,115
Supplemental Cash Disclosures:		
Donated materials and services	\$ 1,000	\$ 2,008
Interest Expense	\$ 111	\$ -

See notes to financial Statements

Junior Achievement of Southwestern Indiana, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Junior Achievement (JA) envisions a world in which young people are equipped with the skillset and mindset to build thriving communities. JA programs help equip the next generation of leaders with the knowledge, skills, and capacity to be 100% ready to be successful, providing opportunities to reach higher standards of living in their communities and ultimately driving the economic development of our city, region, and nation. We connect educators with industry partner volunteers who deliver in-classroom programming to K-12 students during the normal school day. We also offer several immersive learning experiences outside the classroom for middle and high school students, such as JA Innovation Challenge and JA JobSpark.

With \$1.74 trillion in student loan debt, a record 8 million unfilled US jobs, a 58% increase in start-ups between the first quarters of 2023 and 2024, and technology changing the way we work and the landscape of high demand jobs, our young people are facing the challenge of preparing to compete in an increasingly complex, rapidly-changing global economy.

Junior Achievement believes no one can change their circumstances without a belief in themselves and a sense of purpose. By showing kindergarten through twelfth grade students how money, careers, and business ownership work through proven programs along with the help and mentorship of volunteer role models from the community, Junior Achievement is empowering students to have a belief in themselves supported by a foundation of real-world life skills.

Because of the regard demonstrated by so many in the community for our young people, students are receiving life-changing financial literacy, work readiness and entrepreneurship education. In the process, students are connecting classroom learning to the real world, which allows them to recognize the value of staying in school, increasing the likelihood they will graduate and make their best informed post-secondary decision to enroll in higher education, enlist in the military, or enter straight into the workforce. Simply put, Junior Achievement inspires students to go from "I can't" to "I CAN!" to "I WILL!"

This past year, Junior Achievement of Southwestern Indiana (JASWIN) provided JA experiences to 24% of the K-12 students in our service area. In fact, during the 2023-2024 academic school year, JASWIN served a total of 21,043 students in 973 classes across our Southwestern Indiana and Southeastern Illinois service area, resulting in more than 104,139 hours spent between volunteers and students they inspire. For more information, visit www.swindiana.ja.org.

The Organization's revenues and other support are derived primarily from contributions from individual and corporate donations. Its activities are conducted in Daviess, Dubois, Gibson, Knox, Martin, Orange, Pike, Posey, Spencer, Vanderburgh and Warrick counties in Southwestern Indiana and Edwards, Wabash, Wayne, and White counties in Southeastern Illinois.

Basis of Accounting

The financial statements of Junior Achievement of Southwestern Indiana, Inc. are prepared on the accrual basis, where revenues are recognized when earned and expenditures are recognized when incurred.

Junior Achievement of Southwestern Indiana, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classifications of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions- These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions- These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished, the net assets are restricted.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Organization is recognized as a non-profit organization, under Section 501(c)(3) of the Internal Revenue Code, by both federal and state taxing authorities and is exempt from income taxes. The Organization has been determined to not be a private foundation. The Organization is not aware of any activities that would jeopardize its tax-exempt status.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all investments with a maturity of three months or less at the date of purchase to be cash equivalents.

Contributions Receivable

Contributions receivables are recognized when a donor makes an unconditional promise to give to the Organization and are recorded at fair value in the period that they are received. Contributions that are expected to be collected beyond one year are discounted to recognize the present value of future cash flows unless considered immaterial. The resulting discount is amortized using the straight-line method and is reported as contribution revenue.

A provision for doubtful pledges receivable has not been established as management considers all accounts to be collectible. Management closely monitors outstanding balances throughout the year and writes off to bad debts all balances that are considered uncollectible.

Junior Achievement of Southwestern Indiana, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Investments

Investments in equity securities have a readily determinable fair value and all debt securities are carried at fair value. Realized and unrealized gains and losses are reflected in the statements of activities.

Fair Value Measurement

Fair value is defined as 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. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 Inputs- Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2 Inputs- Inputs other than quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs- Unobservable inputs in which there is little or no market data, which requires management to develop their assumptions.

Inventory

Inventory consists of program supplies and is stated at the Organization's cost for the years ended June 30, 2024 and 2023, respectively.

Deferred Revenue

Sponsorships and fees received in advance for future events are recorded as deferred revenue. Recognition of revenue occurs when the event takes place.

Advertising

Advertising costs are expensed as incurred. Advertising costs for the years ended June 30, 2024 and 2023 were \$10,487 and \$5,160, respectively.

Unemployment Compensation

The Organization has elected to finance unemployment compensation benefits under a reimbursement method whereby the Organization is billed for actual benefits paid.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. Such reclassifications had no effect on the previously reported change in net assets.

Junior Achievement of Southwestern Indiana, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Equipment and Depreciation

Equipment is carried at cost, if purchased, or fair market value, if donated. Expenditures for equipment costing in excess of \$2,500 or that materially increase the estimated useful life of assets are capitalized. Maintenance and repairs are charged to expense as incurred. Gains or losses on the disposition of property are recognized. Proceeds from the disposition of property are transferred to the current unrestricted fund unless restricted by the donor of the property. Depreciation is computed on the straight-line method based on estimated useful lives ranging from 5-15 years. Depreciation expense for the years ended June 30, 2024 and 2023 were \$19,588 and \$19,873, respectively.

Contributions and Grants

Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence or nature of any donor restrictions. Conditional promises to give, that is, those with measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. When a donor stipulated time restriction ends or purpose restriction is accomplished, net asset with donor restrictions are reclassified to net assets without donor restrictions. Contributions received with restrictions that are met in the same reporting period and conditional contributions for which the conditions and restrictions are met in the same period are reported as with donor restrictions and then released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, costs have been allocated among the program and services benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses have been classified based on the actual direct expenditures and cost allocation based on time estimates made by management. Salaries and benefits, supplies and computers, miscellaneous, facilities, insurance, utilities, professional fees, and depreciation are allocated based on time estimates.

Recent Accounting Pronouncement Adopted

The Organization adopted Accounting Standards Update 842, *Leases*, (ASC 842) effective July 1, 2022. This standard requires lessees to recognize leases on the Statement of Financial Position as right-of-use (ROU) assets and lease liabilities based on the value of the discounted future lease payments. In adopting ASC 842, the Organization used the practical expedient package, which includes not reevaluating if a contract is or contains a lease, not reevaluating the classification of a lease, and not reevaluating initial direct costs. Upon adoption, the Organization recognized an operating ROU asset and a lease liability in the amounts of \$118,477 and \$116,136, respectively, using the modified retrospective alternative method. No cumulative-effective adjustments were required. Adoption of the new standard resulted in recording of additional lease assets and lease liabilities on the Statement of Financial Position, with no cumulative impact to net assets, and did not have a material impact on the Organization's changes in net assets of cash flows for the year ended June 30, 2023.

Junior Achievement of Southwestern Indiana, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 2- INVESTMENTS

Investment securities are stated at fair value using observable inputs (Level 1 inputs) and consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
ETPs, Mutual, Closed-End & Interval Funds	<u>\$ 3,840,837</u>	<u>\$ 4,019,831</u>

	<u>2024</u>	<u>2023</u>
Investment return is summarized as follows:		
Interest and Dividend income (including cash balances and certificates of deposits)	\$ 195,089	\$ 83,115
Net realized and unrealized gains (losses)	<u>8,453</u>	<u>800</u>
Total unrestricted investment income	<u>\$ 203,542</u>	<u>\$ 83,915</u>

NOTE 3- CONTRIBUTED NONFINANCIAL ASSETS

The Organization received gifts-in-kind for the years ended June 30:

	<u>without donor restrictions</u>	
	<u>2024</u>	<u>2023</u>
Beverages/Food	\$ 0	\$ 428
Use of Equipment	0	1,080
Miscellaneous	<u>1,000</u>	<u>500</u>
Total	<u>\$ 1,000</u>	<u>\$ 2,008</u>

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization.

Beverages and food received for a program event was valued at the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United states. Contributions related to use of equipment and miscellaneous are recognized at fair value when received.

The Organization receives donated services from a variety of unpaid volunteers to assist in the programs of Junior Achievement. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

Junior Achievement of Southwestern Indiana, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 4- RETIREMENT PLAN

The Organization has established a (SIMPLE IRA) retirement plan. Under the plan, employees may contribute up to \$16,000 (\$19,500 for employees who will be at least fifty by the end of the year) of their pre-tax compensation and the Organization will match up to 3% of each participating employee's pretax compensation. Plan expenses incurred for the years ended June 30, 2024 and 2023 were \$14,016 and \$12,903, respectively.

NOTE 5- COMMITMENTS

Leases

The Organization leases office space under a long-term non-cancelable operating lease arrangement. The lease expires in October of 2026. The weighted average discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term. The weighted average discount rate applied to calculate lease liabilities for the years ended June 30, 2024 and 2023, was 2.88% and 2.88%, respectively. The weighted average remaining lease term for the years ended June 30, 2024 and 2023, was 2.33 and 3.33, respectively.

Operating leases with a term of 12 months or less are not recorded on the statement of financial position.

Total operating lease cost for the years ended June 30, 2024 and 2023, was \$29,083 and \$29,083, respectively. Total cash flows from the operating lease for the years ended June 30, 2024 and 2023, was \$28,095 and \$25,753, respectively.

Future maturities of lease liabilities are as follows:

Year ending June 30,

2025	\$ 29,031
2026	30,483
2027	<u>10,325</u>
Total	69,839
Less: present value discount	<u>(2,252)</u>
Total Lease Liability	<u>\$ 67,587</u>

Discovery Center

In June 2024, the Board of Directors authorized a \$10,000 payment to acquire an option on an Evansville property with the intent to build an experiential learning center. The Board also authorized and, in September of 2024, launched the quiet phase of a capital campaign to raise the needed funds for the initiative.

Junior Achievement of Southwestern Indiana, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 6 – RISKS AND UNCERTAINTIES

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. At times, such cash and cash equivalents in banks may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. Credit risk with respect to cash and cash equivalents is minimized by using high-credit quality financial institutions. At June 30, 2024 and 2023, the Organization had \$0 and \$107,122 in excess of federally insured limits, respectively.

The Organization invests or holds a variety of investments vehicles that are exposed to interest rate, market, credit, and other risks depending upon the nature of the investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Organization’s investments, which could materially affect amounts reported in the financial statements. Investments held by a broker in customer accounts are protected against physical loss and theft by the Securities Investor Protection Corporation (SIPC).

NOTE 7 – DEFERRED REVENUE

Deferred revenue when invoiced is recorded as accounts receivable and an offsetting entry to deferred revenue. Deferred revenue consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Fundraising Events	\$ 109,384	\$ 4,720
Programs & Activities	<u>63,230</u>	<u>48,400</u>
	<u>\$ 172,614</u>	<u>\$ 53,120</u>

NOTE 8- PLEDGES RECEIVABLE

Pledges receivables consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Due within one year	\$ 120,144	\$ 105,327
Due in one to five years	<u>0</u>	<u>0</u>
	<u>\$ 105,327</u>	<u>\$ 105,327</u>

Junior Achievement of Southwestern Indiana, Inc.
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 9- ENDOWMENT FUND- BOARD DESIGNATED

As of June 30, 2024, and 2023, the Board of Directors has designated \$175,881 and \$162,064 respectively of unrestricted net assets as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

The Organization has a spending policy of appropriating 4% of the average of the prior three December 31 (year-end) balances, calculated on January 1 and available for distribution immediately following calculation upon the board’s discretion. A distribution left in the endowment will be considered part of the corpus of the endowment and not be available for distribution at a later date.

To achieve this objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which included equities and fixed income securities, that, is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4% while still growing the fund.

Composition of and changes in endowment net assets for the years ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Board –designated endowment net assets, beginning of year	\$ 162,064	\$ 153,769
Contributions	0	0
Investment Income	5,363	7,495
Unrealized Gains or (Losses)	<u>8,453</u>	<u>800</u>
Board Designated endowment net assets, end of year	<u>\$ 175,881</u>	<u>\$ 162,064</u>

NOTE 10- BOARD DESIGNATED NET ASSETS

The Organization has designated \$700,000 to be used in future years for capital projects & related expenses.

NOTE 11- 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 the Organization, JA Worldwide, Inc. and employees of Junior Achievement Areas in the United States can participate in the Health and Welfare Plan. All 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.

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NOTE 12- TRANSACTIONS WITH AFFILIATE

In accordance with the operating agreement with Junior Achievement USA, annual program and support fees are charged to the Organization. These fees are calculated according to specific formulas as outlined in the operating agreement. The program and support fee in any given year is paid over ten monthly installments based on the total reported revenue of the previous audited year. During the years ended June 30, 2024 and 2023, fees of \$138,851 and \$71,669, respectively, were charged to the Organization.

The Organization also purchases substantially all of its program materials from Junior Achievement USA and Junior Achievement Supply Company (JASCO), a division of Junior Achievement USA. Also, the Organization obtains a portion of its liability insurance and all of its medical insurance through Junior Achievement USA. Total payments to these affiliates for these purchases were \$99,835 and \$142,936 during 2024 and 2023 respectively. As of June 30, 2024 and June 30, 2023 the amounts due to Junior Achievement USA were \$0 and \$0, respectively.

For the years ended June 30, 2024 and 2023 the Organization received contributions, special events revenue, and various donated supplies, equipment, and services of \$261,916 and \$308,477, respectively for operations from various members of the Board or Directors and their related companies. As of June 30, 2024, and 2023, outstanding pledges of \$36,360 and \$96,380, respectively, were due from these parties.

The Organization also holds cash and investments in financial institutions at which various members of the Board of Directors serve as executives. Fees paid to these institutions were minimal in 2024 and 2023.

The Organization from time-to-time purchases goods and services from businesses at which various members of the Board of Directors serve as executives. Payments to these businesses were minimal in 2024 and 2023.

NOTE 13- CONCENTRATIONS

The Organization received support from two donors that amounted to 77% of total support and revenue for the year ended June 30, 2023.

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NOTE 14- AGENCY ENDOWMENT FUND

The Organization has established an Endowment Fund (Level 3 inputs) with the Dubois County Community Foundation, Inc. of which the funds were subsequently transferred to the Organization. The Organization has granted the Foundation variance power which gives the Foundation's Board of Directors the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation's investment and spending policies. The fair value of the Fund is recorded as an Agency Endowment Fund in the statement of financial position and reports distributions received as investment income. Changes in the value of the Fund are reported as gains or losses in the statement of activities.

	<u>2024</u>	<u>2023</u>
Balance at July 1,	\$ 102,500	\$ 97,710
Share of appreciation (depreciation)	9,028	8,822
Distributions	<u>(4,091)</u>	<u>(4,032)</u>
Balance at June 30,	<u>\$ 107,437</u>	<u>\$ 102,500</u>

NOTE 15- NET ASSETS WITH DONOR RESTRICTIONS

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

Specific purpose:	<u>2024</u>	<u>2023</u>
Inspiring Youth	\$ 374,205	\$ 394,212
Talent 25	0	22,273
Lilly Endowment	2,000,792	2,430,199
Passage of time:		
Program (Adopt a School Program)	7,225	89,670
Agency Endowment (Note 14)	<u>107,437</u>	<u>102,500</u>
	<u>\$ 2,489,659</u>	<u>\$ 3,038,854</u>

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NOTE 16- NET ASSETS WITH DONOR RESTRICTIONS (Con't)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions		
Inspiring Youth	\$ 20,007	\$ 18,996
Lilly Endowment	429,407	47,102
Talent 25	22,273	89,792
Satisfaction of time restriction		
Program (Adopt a School Program)	<u>89,670</u>	<u>49,250</u>
	<u>\$ 561,357</u>	<u>\$ 205,140</u>

NOTE 17- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's primary sources of support are contributions and special events. The Organization's objective is to maintain liquid financial assets without donor restrictions to cover six months of program expenditures. From time to time the level of liquid financial assets without donor restrictions has varied and will continue to vary as a result of the timing of receipts and payments and particular cash needs. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining reserves to provide reasonable assurance that long-term obligations will be discharged. As part of its liquidity plan, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. This includes investing excess cash in mutual funds and certificates of deposits. The following table reflects the Organization's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditures within one year.

	<u>2024</u>	<u>2023</u>
Total financial assets	\$ 4,269,162	\$ 4,649,552
Less those unavailable for general expenditures within one year due to:		
Purpose restrictions	(2,374,997)	(2,846,684)
Time Restrictions	(7,225)	(89,670)
Endowment Fund	<u>(107,437)</u>	<u>(102,500)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,779,503</u>	<u>\$ 1,610,698</u>

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NOTE 18- SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions through November 4, 2024, the date the financial statements were available to be issued. There were no subsequent events that require recognition in the financial statements.