JUNIOR ACHIEVEMENT OF MAHONING VALLEY, INC. dba JUNIOR ACHIEVEMENT OF EASTERN OHIO, INC.

FINANCIAL REPORT

JUNE 30, 2025 and 2024

MALONEY + NOVOTNY LLC

JUNIOR ACHIEVEMENT OF MAHONING VALLEY, INC.
dba JUNIOR ACHIEVEMENT OF EASTERN OHIO, INC.

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MALONEY + NOVOTNY LLC

+ 1111 Superior Avenue, Suite 700, Cleveland, Ohio 44114
+ p 216.363.0100 | f 216.363.0500
+ www.maloneynovotny.com

Independent Auditors' Report

To the Board of Directors
Junior Achievement of Mahoning Valley, Inc.
dba Junior Achievement of Eastern Ohio, Inc.
Girard, Ohio

Opinion

We have audited the financial statements of Junior Achievement of Mahoning Valley, Inc. dba Junior Achievement of Eastern Ohio, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Junior Achievement of Mahoning Valley, Inc. dba Junior Achievement of Eastern Ohio, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Junior Achievement of Mahoning Valley, Inc. dba Junior Achievement of Eastern Ohio, 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.

Prior Period Financial Statements

The financial statements of Junior Achievement of Mahoning Valley, Inc. dba Junior Achievement of Eastern Ohio, Inc. as of June 30, 2024 were audited by other auditors whose report dated November 11, 2024 expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Mahoning Valley, Inc. dba Junior Achievement of Eastern Ohio, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Mahoning Valley, Inc. dba Junior Achievement of Eastern Ohio, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Junior Achievement of Mahoning Valley, Inc. dba Junior Achievement of Eastern Ohio, 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.



Cleveland, Ohio
February 5, 2026

JUNIOR ACHIEVEMENT OF MAHONING VALLEY, INC.
dba JUNIOR ACHIEVEMENT OF EASTERN OHIO, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 243,686	$ 280,461
Custodial cash	45,095	59,892
Pledges receivable	-	66,330
Prepaids	497	497
Total current assets	289,278	407,180
LONG TERM ASSETS		
Investments - endowment fund	234,956	213,364
Deposits	19,380	760
Right-of-use asset - operating	13,491	17,012
Fixed assets, net	143,144	162
Total long term assets	410,971	231,298
Total assets	$ 700,249	$ 638,478
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 5,062	$ 7,486
Accrued and withheld payroll liabilities	17,532	19,247
Custodial liability	45,095	59,892
Deferred revenue	-	5,000
Operating lease liability	4,293	3,051
Total current liabilities	71,982	94,676
LONG-TERM LIABILITIES		
Operating lease liability	9,755	15,163
Total liabilities	81,737	109,839
NET ASSETS		
Net assets without donor restrictions	383,556	142,275
Board designated net assets	229,363	308,364
Total net assets without donor restrictions	612,919	450,639
Net assets with donor restrictions	5,593	78,000
Total net assets	618,512	528,639
Total liabilities and net assets	$ 700,249	$ 638,478

The accompanying notes are an integral part of these financial statements.

JUNIOR ACHIEVEMENT OF MAHONING VALLEY, INC.
dba JUNIOR ACHIEVEMENT OF EASTERN OHIO, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Contributions:			
Fund drive	$ 13,704	$ -	$ 13,704
Grants and foundations	434,249	-	434,249
Program	25,745	-	25,745
Total contributions	473,698	-	473,698
Special events	138,482	-	138,482
Investment income, net	4,474	126	4,600
Realized and unrealized gains on investments	16,525	467	16,992
In-kind contributions	13,450	-	13,450
Other	6,000	-	6,000
Net assets released from restriction	73,000	(73,000)	-
Total public support and revenues	725,629	(72,407)	653,222
EXPENSES			
Program services	506,452	-	506,452
Supporting services:			
Management and general	36,281	-	36,281
Fundraising	20,616	-	20,616
Total expenses	563,349	-	563,349
CHANGE IN NET ASSETS	162,280	(72,407)	89,873
NET ASSETS – BEGINNING	450,639	78,000	528,639
NET ASSETS – ENDING	$ 612,919	$ 5,593	$ 618,512

The accompanying notes are an integral part of these financial statements.

JUNIOR ACHIEVEMENT OF MAHONING VALLEY, INC.
dba JUNIOR ACHIEVEMENT OF EASTERN OHIO, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Contributions:			
Fund drive	$ 14,818	$ -	$ 14,818
Grants and foundations	504,320	73,000	577,320
Program	7,440	-	7,440
Total contributions	526,578	73,000	599,578
Special events	165,273	-	165,273
Investment income, net	3,654	-	3,654
Realized and unrealized gains on investments	17,015	-	17,015
In-kind contributions	8,439	-	8,439
Total public support and revenues	720,959	73,000	793,959
EXPENSES			
Program services	449,244	-	449,244
Supporting services:			
Management and general	32,048	-	32,048
Fundraising	88,662	-	88,662
Total expenses	569,954	-	569,954
CHANGE IN NET ASSETS	151,005	73,000	224,005
NET ASSETS – BEGINNING	299,634	5,000	304,634
NET ASSETS – ENDING	$ 450,639	$ 78,000	$ 528,639

The accompanying notes are an integral part of these financial statements.

JUNIOR ACHIEVEMENT OF MAHONING VALLEY, INC.
dba JUNIOR ACHIEVEMENT OF EASTERN OHIO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries	$ 206,592	$ 9,032	$ 10,160	$ 225,784
Program materials	83,985	-	-	83,985
Special events	78,122	-	-	78,122
Franchise fee	43,509	-	-	43,509
Payroll taxes and benefits	21,384	940	1,175	23,499
Training and recognition	21,394	-	-	21,394
Rent	14,047	2,608	3,411	20,066
Outside services	1,282	14,090	641	16,013
Donated services and materials	10,087	3,363	-	13,450
Technology	8,312	1,544	2,019	11,875
Travel and transportation	5,353	2,356	145	7,854
Repairs, maintenance, utilities, and insurance	5,181	962	1,259	7,402
Miscellaneous	2,405	494	646	3,545
Supplies and postage	2,433	452	590	3,475
Dues and subscriptions	2,249	419	546	3,214
Depreciation	117	21	24	162
Total expenses	$ 506,452	$ 36,281	$ 20,616	$ 563,349

The accompanying notes are an integral part of these financial statements.

JUNIOR ACHIEVEMENT OF MAHONING VALLEY, INC.
dba JUNIOR ACHIEVEMENT OF EASTERN OHIO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries	$ 197,887	$ 8,651	$ 9,732	$ 216,270
Program materials	128,128	-	-	128,128
Special events	-	-	67,365	67,365
Franchise fee	36,888	-	-	36,888
Payroll taxes and benefits	26,264	1,154	1,443	28,861
Training and recognition	9,774	-	-	9,774
Rent	14,362	2,667	3,488	20,517
Outside services	874	9,609	437	10,920
Donated services and materials	6,329	2,110	-	8,439
Technology	7,979	1,482	1,938	11,399
Repairs, maintenance, utilities, and insurance	6,435	1,195	1,563	9,193
Travel and transportation	6,112	2,689	161	8,962
Miscellaneous	3,266	1,031	1,348	5,645
Supplies and postage	3,429	637	831	4,897
Dues and subscriptions	1,166	217	283	1,666
Depreciation	351	63	73	487
Interest	-	543	-	543
Total expenses	$ 449,244	$ 32,048	$ 88,662	$ 569,954

The accompanying notes are an integral part of these financial statements.

JUNIOR ACHIEVEMENT OF MAHONING VALLEY, INC.
dba JUNIOR ACHIEVEMENT OF EASTERN OHIO, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 89,873	$ 224,005
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	162	487
Amortization of right-of-use asset	3,521	4,253
Realized and unrealized gains on investments	(16,992)	(17,015)
Changes in assets and liabilities:		
Custodial cash	14,797	-
Pledges receivable	66,330	(30,048)
Prepaids	-	419
Deposits	(18,620)	-
Accounts payable	(2,424)	7,201
Accrued and withheld payroll liabilities	(1,715)	10,551
Custodial liability	(14,797)	-
Deferred revenue	(5,000)	1,250
Operating lease liability	(4,166)	(3,051)
Total adjustments	21,096	(25,953)
Net cash provided by operating activities	110,969	198,052
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments, net	(4,600)	(3,653)
Purchase of fixed assets	(143,144)	-
Net cash used by investing activities	(147,744)	(3,653)
CHANGE IN CASH AND CASH EQUIVALENTS	(36,775)	194,399
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	280,461	86,062
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 243,686	$ 280,461
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ -	$ 543

The accompanying notes are an integral part of these financial statements.

Note 1. Organization and Summary of Significant Accounting Policies

A. Junior Achievement of Mahoning Valley, Inc. dba Junior Achievement of Eastern Ohio, Inc. (the "Organization") is a private nonprofit organization incorporated in the state of Ohio. The Organization serves the Ohio counties of Mahoning, Trumbull, Ashtabula, and Columbiana by providing opportunities to young people, in cooperation with adult advisors/consultants to inspire and prepare young people to succeed in a global economy. The Organization is an affiliate of Junior Achievement USA, Inc. ("Junior Achievement" or the "National Organization") located in Colorado Springs, Colorado.

Junior Achievement offers a variety of programs in school and after school for children in kindergarten through twelfth grade that focus on helping young people better understand concepts related to financial literacy, economics, entrepreneurship, and workforce readiness. Junior Achievement programs build successful partnerships between local classroom teachers and community volunteers.

B. Basis of Accounting – The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Organization has reported information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, net assets for board designated endowment and capital expenditure.

Net assets with donor restrictions: Net assets that represent amounts received that were restricted by the donor, grantor, or other outside party for a specific use or period of time. Contributions received with restrictions whose restrictions are met within the same year are classified as net assets without donor restriction in the statements of activities. Certain net assets with donor restrictions represent amounts received for which the principal must be preserved in perpetuity and only the income be utilized.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenues received with donor-imposed restrictions are recorded as without donor restrictions if the restrictions are met within the same period. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

C. 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

D. Cash and Cash Equivalents – The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

E. Custodial Cash – Custodial cash represents amounts contributed by donors to support the Organization's "I Can Save" program. Under this program, the Organization holds these funds solely in a custodial capacity for participating students. Because the Organization does not have the ability to redirect or use these assets for its own benefit, a liability has been established equivalent to the value of the assets in accordance with financial accounting standards. The Organization maintains these resources until participating students graduate from high school, at which time funds may be granted to the students for qualifying purposes such as post-secondary education, technical training, business start-up costs, or the purchase of a home.

F. Pledges Receivable – Pledges receivable includes pledges under an annual fund drive. All amounts are due in less than one year. As of June 30, 2025 and 2024, the pledges receivable balances are deemed fully collectible and the allowance for doubtful accounts is $-0-.

G. Investments – Investments in equity securities, with readily determinable fair values, and all investments in debt securities are reported at fair value in the statements of financial position. In addition, gains and losses (realized or unrealized) are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned. Investment fees of $2,555 and $2,288 are netted with investment income in the statements of activities for the years ended June 30, 2025 and 2024, respectively.

H. Deposits – The Organization maintains security deposits under certain operating lease agreements, which are refundable upon expiration of the related leases, provided the Organization has complied with all lease terms. At June 30, 2025 and 2024, security deposits totaled $19,380 and $760, respectively, and are included in long term assets in the accompanying statements of financial position. Management evaluates the recoverability of security deposits and records expense for any portion deemed nonrecoverable when such amounts become probable and estimable.

I. Right-of-Use Assets and Operating Lease Liabilities – Operating lease right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As the Organization's leases generally do not include an implicit rate, the Organization used the rate that would be used if using a lender to purchase the asset over the time frame of the lease to determine the present value of future payments. The operating lease ROU asset also includes any payments made and excludes lease incentives and any initial direct costs incurred. The Organization's operating lease ROU assets and operating lease liabilities are calculated including options to extend the lease when it is reasonably certain that the Organization will exercise the option. Lease expense for minimum lease payments is recognized on a straight-line basis over the term of the lease. The Organization has elected not to recognize a lease liability or ROU asset for short-term leases (leases with an initial term of twelve months or less).

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

J. Fixed Assets – Fixed assets are recorded at cost if purchased or at fair market value at date of gift if donated. Donated equipment is reported at fair market value at the date of the donation. Maintenance and repairs and capital expenditures under $500 are charged to operations when incurred. Depreciation is computed on the straight-line basis over estimated useful lives, which range from 3-7 years. Construction in progress represents the current construction activities that are related to capital renovation projects for leasehold improvements. Outstanding construction commitments as of June 30, 2025 were approximately $2,066,000.

Fixed assets comprise the following as of June 30:

	2025	2024
Furniture and equipment	$ 21,841	$ 21,841
Construction in progress	143,144	-
	164,985	21,841
Less: accumulated depreciation	(21,841)	(21,679)
Ending balance	$ 143,144	$ 162

K. Deferred Revenue – Deferred revenue at June 30, 2024 consists of a grant received on June 30, 2024 which is for the grant year beginning July 1, 2024.

L. Public Support and Revenue Recognition – Contributions received are recorded as support with donor restrictions, or without donor restrictions, depending on the existence and/or nature of any donor restrictions. The Organization records contributions, cash, and pledges receivable, when they are received unconditionally, at their fair value. Special events revenue and other revenues are recognized at a point in time when performance obligations have been met.

For 2025 and 2024, the Organization received a state grant amounting to 38% and 30%, respectively, of total revenues.

M. In-Kind Contributions – Contributed nonfinancial assets include donated goods which are recorded at the respective fair value at the date of donation.

A substantial number of unpaid volunteers have made significant contributions of their time to develop Junior Achievement's programs, primarily in educational programs and development. The value of this contributed time is not reflected in these financial statements since it does not lend itself to objective measurement, nor would it typically be purchased.

N. Federal Income Taxes – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The preparation of financial statements in conformity with GAAP requires the Organization to identify potential uncertain tax positions taken, assess and quantify those positions, and record reserves. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

O. Functional Allocation of Expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on a time and cost study of where efforts are made.

P. Reclassification – Certain information previously presented has been reclassified to conform to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Q. Subsequent Events – The Organization has evaluated subsequent events through February 5, 2026, the date that the Organization's annual financial statements were available to be issued.

Note 2. Liquidity and Availability

The Organization's financial assets available within one year of the statements of financial position date for general expenditures are as follows as of June 30:

	2025	2024
Cash and cash equivalents	$ 243,686	$ 280,461
Pledges receivable	-	66,330
Financial assets available to meet cash needs for general expenditure within one year	$ 243,686	$ 346,791

As part of the Organization's liquidity management, it has a policy to structure financial assets to be available as general expenditures, liabilities, and other obligations come due. Additionally, the Organization has board-designated funds and capital reserves of $229,363 and $308,364 as of June 30, 2025 and 2024, respectively. Although the Organization does not intend to spend from these funds, these amounts could be made available if necessary.

Note 3. Fair Value Measurements

Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Organization uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Note 3. Fair Value Measurements (Continued)

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

Money market funds: Valued using models or other valuation methodologies based on assumptions that are observed in the active market and are classified within Level 2 of the fair value hierarchy.

Fixed income and mutual funds: Valued based on the closing price reported on the active market on which the individual securities are traded and are classified within Level 1 of the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. There have been no changes in the methodologies used from 2024 to 2025. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financial assets and liabilities measured at fair value on a recurring basis are as follows for June 30, 2025:

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Money market funds	$ -	$ 14,270	$ -	$ 14,270
Fixed income	6,952	-	-	6,952
Mutual funds	213,734	-	-	213,734
	$ 220,686	$ 14,270	$ -	$ 234,956

Financial assets and liabilities measured at fair value on a recurring basis are as follows for June 30, 2024:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Money market funds	$ -	$ 13,001	$ -	$ 13,001
Mutual funds	200,363	-	-	200,363
	$ 200,363	$ 13,001	$ -	$ 213,364

Note 4. Endowment Fund

The Organization restricts net assets in accordance with the fund agreement: (a) the original value of the gifts donated to the endowment and (b) accumulations to the endowment made in accordance with the directions of the applicable fund agreement. The Organization has adopted investment and spending policies for the endowment fund that provides for the preservation of capital while providing for the long-term growth of principal without undue exposure to risk.

The Organization maintains donor-restricted endowment funds with a principal balance of $5,000 that is subject to a permanent restriction, meaning the principal may never be spent. Any endowment earnings on these funds are classified as donor-restricted until appropriated for expenditure in accordance with the donor's stipulations and applicable law. The Organization also maintains a board-designated endowment. These funds have been designated by the Board of Trustees to serve as operating reserves and may be appropriated for use at the discretion of the Board.

The State of Ohio has passed a version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Board of Trustees of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with perpetual restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Endowment funds are appropriated based on an approval process through the Board. The Board has a policy of disbursing annually up to 5% of the endowment fund balance. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual donation. In accordance with GAAP, there were no such deficiencies as of June 30, 2025 and 2024.

Note 4. Endowment Fund (Continued)

Change in endowment investments for the fiscal years ended June 30:

	June 30, 2025				
		With Donor Restrictions			
	Without Donor Restrictions	Original Gift	Accumulated Gains	Total With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 208,364	$ 5,000	$ -	$ 5,000	$ 213,364
Investment return:					
Investment income, net	4,474	-	126	126	4,600
Net appreciation	16,525	-	467	467	16,992
Total investment return	20,999	-	593	593	21,592
Endowment net assets, end of year	$ 229,363	$ 5,000	$ 593	$ 5,593	$ 234,956

	June 30, 2024				
		With Donor Restrictions			
	Without Donor Restrictions	Original Gift	Accumulated Gains	Total With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 187,695	$ 5,000	$ -	$ 5,000	$ 192,695
Investment return:					
Investment income, net	3,654	-	-	-	3,654
Net appreciation	17,015	-	-	-	17,015
Total investment return	20,669	-	-	-	20,669
Endowment net assets, end of year	$ 208,364	$ 5,000	$ -	$ 5,000	$ 213,364

Note 5. Operating Lease

The Organization has a 63-month operating lease for equipment that began in June 2023 and expires September 2028.

Cash paid against the operating lease liabilities under these arrangements was $4,644 in 2025 and 2024, and is included in operating cash flows. Lease expense incurred from these arrangements was $4,354 for 2025 and 2024, and is included in rent in the statements of functional expenses.

Note 5. Operating Lease (Continued)

The following table displays the undiscounted cash flows due related to the operating lease as of June 30, 2025, along with a reconciliation to the discounted amount recorded on the statement of financial position:

2026	$ 4,293
2027	4,644
2028	4,644
2029	774
Total undiscounted cash flows	14,355
Imputed interest rate	(307)
Total operating lease liability	$14,048

As of June 30, 2025 and 2024, the weighted-average remaining lease term for all operating leases is 3.2 and 4.2 years, respectively. Because the Organization generally does not have access to the rate implicit in the lease, the Organization utilizes the incremental borrowing rate as the discount rate. The weighted-average discount rate associated with the operating lease as of June 30, 2025 and 2024 was 3%.

Rent expense for short-term leases was $15,712 and $16,163 as of June 30, 2025 and 2024, respectively, and is included in rent in the statements of functional expenses.

In April 2025, the Organization entered into a 12-year operating lease for office space. The lease commencement date will occur when construction activities are completed and the premises are made available for the Organization's use. Under the lease agreement, the Organization is responsible for the improvements to the leased space and will receive a one-time tenant-improvement allowance of $725,525. As of year-end, no ROU asset or lease liability has been recognized because the lease has not yet commenced.

Note 6. Employee Benefit Plan

The Organization participates in a 401(k) multiple employer profit-sharing plan covering substantially all employees offered by Junior Achievement USA. Eligible employees may contribute a percentage of compensation up to the maximum allowed under the Internal Revenue Code. The Organization can contribute a discretionary amount as determined by the Organization. The Organization contributed $-0- to the plan during the years ended June 30, 2025 and 2024.

Note 7. Health And Welfare Benefits Trust And Postretirement Benefits Plan

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 multiemployer 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 USA chapters can participate in the Health and Welfare Plan. All the assets and liabilities of the Health and Welfare Plan are held in the Junior Achievement USA Health and Welfare Benefits Trust ("Benefits Trust"). Accordingly, no balances or transactions of the Benefits Trust are recorded in the financial statements of the Organization. The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2025 and 2024 was $1,520 and $6,212, respectively.

Note 7. Health And Welfare Benefits Trust And Postretirement Benefits Plan (Continued)

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

Note 8. Affiliated Organization Franchise Fees

The Organization, as part of its affiliation agreement, is required to remit a participation fee to the National Organization, calculated on the previous fiscal year reported revenue, paid in twelve equal payments. Interest and dividend income as well as in-kind contributions income are not subject to the participation fee. Franchise fee expense was $43,509 and $36,888 for the years ended June 30, 2025 and 2024, respectively.

Note 9. Net Assets

Net assets without donor restrictions consist of the following as of June 30:

	2025	2024
Operating	$ 383,556	$ 142,275
Board-designated endowment	229,363	208,364
Capital reserves	-	100,000
Total net assets without donor restrictions	$ 612,919	$ 450,639

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

	2025	2024
Subject to expenditure for specified purpose:		
Special projects	$ -	$ 73,000
Subject to spending policy and appropriation:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	5,000	5,000
Accumulated earnings	593	-
	5,593	5,000
Total net assets with donor restrictions	$ 5,593	$ 78,000

Note 10. In-kind Contributions

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized in the statements of activities included $13,450 and $8,439, respectively, of donated goods for auction prizes and special event items. Donated goods are recorded at their fair value at the date of donation. Fair value is determined based on market prices for similar items or other valuation techniques that approximate the amount the Organization would have paid if the goods had been purchased. The Organization recognized nonfinancial assets within public support and revenues, which were provided to support the Organization's fundraising efforts. The Organization utilized all contributed nonfinancial assets in operations. All contributed nonfinancial assets received in 2025 and 2024 were without donor-imposed restrictions.