JUNIOR ACHIEVEMENT OF GREATER ST. LOUIS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
Junior Achievement of Greater St. Louis, Inc.
St. Louis, Missouri

Opinion

We have audited the financial statements of Junior Achievement of Greater St. Louis, Inc., a not-for-profit organization, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Junior Achievement of Greater St. Louis, Inc. as of June 30, 2023, 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 Greater St. Louis, 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.

Emphasis Of Matter: Change In Accounting Principle

As discussed in Note 2 to the financial statements, as of July 1, 2022, Junior Achievement of Greater St. Louis, Inc. adopted Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

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 Greater St. Louis, Inc.'s ability to continue as a going concern for 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 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 auditing standards generally accepted in the United States of America, 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 Greater St. Louis, 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 Greater St. Louis, 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.

Report On Summarized Comparative Information

We have previously audited Junior Achievement of Greater St. Louis, Inc.'s June 30, 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

RubinBrown LLP

October 12, 2023

JUNIOR ACHIEVEMENT OF GREATER ST. LOUIS, INC.

STATEMENT OF FINANCIAL POSITION

Assets

	June 30, 2023	June 30, 2022
Current Assets		
Cash and cash equivalents	$ 133,373	$ 892,714
Restricted cash - agency funds	38,266	43,774
Investments (Note 3)	2,224,370	2,001,888
Accounts receivable (Note 2)	6,489	128,307
Pledges receivable, net (Notes 5 and 7)	964,503	432,056
Other current assets	19,784	7,819
Total Current Assets	3,386,785	3,506,558
Long-Term Assets		
Property And Equipment		
Land and improvements	683,305	683,305
Building	6,300,480	6,300,480
Equipment	1,012,759	991,811
Construction in progress	470,358	—
	8,466,902	7,975,596
Less: Accumulated depreciation	(4,106,158)	(3,862,807)
Property And Equipment, Net	4,360,744	4,112,789
Right-of-use asset - finance lease (Note 10)	43,840	—
Investments Restricted For Endowment (Notes 3 And 6)	84,957	84,957
Total Long-Term Assets	4,489,541	4,197,746
Total Assets	$ 7,876,326	$ 7,704,304

Liabilities And Net Assets

	2023	2022
Current Liabilities		
Accounts payable and accrued expenses	$ 404,882	$ 17,085
Accrued salaries and vacation	275,540	291,482
Agency funds	38,266	46,751
Deferred revenue (Note 7)	67,266	111,905
Current portion of right-of-use liability - finance lease (Note 10)	9,034	—
Debt - short term (Note 9)	100,653	94,407
Total Current Liabilities	895,641	561,630
Long-Term Liabilities		
Long-term portion of right-of-use liability - finance leases (Note 10)	35,586	—
Debt - long term (Note 9)	501,497	802,956
Total Long-Term Liabilities	537,083	802,956
Total Liabilities	1,432,724	1,364,586
Net Assets		
Without donor restrictions (Note 6)	5,980,504	6,198,634
With donor restrictions (Note 6)	463,098	141,084
Total Net Assets	6,443,602	6,339,718
Total Liabilities And Net Assets	$ 7,876,326	$ 7,704,304

JUNIOR ACHIEVEMENT OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Years Ended June 30, 2023 And 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenues						
Support						
Contributions (Note 7):						
Corporate	$ 1,246,242	$ 340,000	$ 1,586,242	$ 418,373	$ 667	$ 419,040
Individual	253,406	—	253,406	203,899	—	203,899
Foundations	265,600	—	265,600	335,600	40,000	375,600
Donated supplies, equipment and services (Notes 2 and 7)	69,298	—	69,298	19,865	—	19,865
Net assets released from restrictions (Note 6)	55,793	(55,793)	—	93,203	(93,203)	—
Total Support	1,890,339	284,207	2,174,546	1,070,940	(52,536)	1,018,404
Revenues						
Capstone Programs sponsorships (Note 7)	189,667	—	189,667	214,000	—	214,000
Capstone Programs student fees	208,406	—	208,406	167,157	—	167,157
Special event revenue (Note 7):						
Golf Classic	239,026	24,125	263,151	193,840	13,200	207,040
Bowl-A-Thon	357,118	—	357,118	315,567	—	315,567
Hall of Fame	741,667	—	741,667	1,005,517	—	1,005,517
Other special events	77,049	13,682	90,731	58,120	2,260	60,380
Less: Costs of direct benefits to donors	(253,523)	—	(253,523)	(179,332)	—	(179,332)
Net revenues from special events	1,161,337	37,807	1,199,144	1,393,712	15,460	1,409,172
Achiever activities	644	—	644	616	—	616
Interest and dividend income	43,475	834	44,309	42,076	689	42,765
Net realized gains (losses) on investments	—	261	261	(1,936)	315	(1,621)
Net unrealized gains (losses) on investments	182,025	(1,095)	180,930	(342,579)	(1,004)	(343,583)
Forgiveness of Paycheck Protection Program loan - gain on extinguishment (Note 9)	—	—	—	456,013	—	456,013
Employee retention credit (Note 2)	182,985	—	182,985	130,957	—	130,957
Miscellaneous income	9,075	—	9,075	8,147	—	8,147
Total Revenues	1,977,614	37,807	2,015,421	2,068,163	15,460	2,083,623
Total Support And Revenues	3,867,953	322,014	4,189,967	3,139,103	(37,076)	3,102,027
Expenses						
Program Services:						
School programs	2,096,248	—	2,096,248	1,790,140	—	1,790,140
Capstone programs	1,000,624	—	1,000,624	817,217	—	817,217
Scholarship expenditures	—	—	—	1,145	—	1,145
Total Program Services	3,096,872	—	3,096,872	2,608,502	—	2,608,502
Supporting Services:						
Management and general administrative	618,970	—	618,970	513,219	—	513,219
Fundraising	370,241	—	370,241	339,358	—	339,358
Total Supporting Services	989,211	—	989,211	852,577	—	852,577
Total Expenses	4,086,083	—	4,086,083	3,461,079	—	3,461,079
Increase (Decrease) In Net Assets	(218,130)	322,014	103,884	(321,976)	(37,076)	(359,052)
Net Assets - Beginning Of Year	6,198,634	141,084	6,339,718	6,520,610	178,160	6,698,770
Net Assets - End Of Year	$ 5,980,504	$ 463,098	$ 6,443,602	$ 6,198,634	$ 141,084	$ 6,339,718

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2023
(With Summarized Comparative Information For The Year Ended June 30, 2022)

	Program Services			Supporting Services				
	School Programs	Capstone Programs	Total	Management And General Administrative	Fundraising	Total	2023 Total	2022 Total
Salaries	$ 1,200,147	$ 322,328	$ 1,522,475	$ 348,587	$ 266,861	$ 615,448	$ 2,137,923	$ 1,794,240
Payroll taxes	79,727	21,909	101,636	22,121	17,228	39,349	140,985	113,401
Pension expense (Note 8)	45,239	12,432	57,671	12,552	9,776	22,328	79,999	66,778
Group health insurance (Note 7)	143,612	35,628	179,240	39,855	31,039	70,894	250,134	228,954
Bad debt expense	—	—	—	57,249	—	57,249	57,249	21,694
Donated service expense	—	—	—	5,652	2,500	8,152	8,152	6,000
Information technology	13,993	13,007	27,000	3,883	3,024	6,907	33,907	35,891
Insurance	8,950	17,909	26,859	2,484	1,934	4,418	31,277	25,000
Interest and bank fees (Note 9)	—	—	—	40,107	—	40,107	40,107	42,784
Loss on disposal of property and equipment	122	426	548	34	26	60	608	978
Miscellaneous	—	91	91	1,638	—	1,638	1,729	1,091
Postage and delivery	2,938	—	2,938	815	635	1,450	4,388	3,423
Printers and copiers	7,065	10,553	17,618	1,961	1,527	3,488	21,106	22,059
Professional fees	—	25	25	44,388	—	44,388	44,413	40,776
Program expense and support (Note 7)	458,804	240,375	699,179	—	—	—	699,179	561,889
Promotion and awareness	—	—	—	—	6,372	6,372	6,372	2,806
Repairs and maintenance	10,996	61,333	72,329	3,052	2,377	5,429	77,758	90,824
Scholarship expense	—	—	—	—	—	—	—	1,145
Staff development	8,397	1,117	9,514	2,330	1,815	4,145	13,659	8,083
Staff expenses	14,049	459	14,508	3,899	3,036	6,935	21,443	12,604
Supplies	4,664	491	5,155	1,293	1,008	2,301	7,456	4,438
Telephone	26,270	12,414	38,684	7,290	5,678	12,968	51,652	26,858
Utilities	17,935	64,226	82,161	4,977	3,876	8,853	91,014	86,298
Total Expenses Before Depreciation	2,042,908	814,723	2,857,631	604,167	358,712	962,879	3,820,510	3,198,014
Depreciation	53,340	185,901	239,241	14,803	11,529	26,332	265,573	263,065
Total Expenses	$ 2,096,248	$ 1,000,624	$ 3,096,872	$ 618,970	$ 370,241	$ 989,211	$ 4,086,083	$ 3,461,079

JUNIOR ACHIEVEMENT OF GREATER ST. LOUIS, INC.

STATEMENT OF CASH FLOWS

	For The Years Ended June 30, 2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ 103,884	$ (359,052)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	265,573	263,065
Realized and unrealized (gains) losses on investments	(181,191)	343,268
Loss on disposal of property and equipment	608	978
Interest on finance lease	1,773	—
Paycheck Protection Program loan forgiveness	—	(456,013)
In-kind donations of property and equipment	(61,146)	(13,865)
Changes in assets and liabilities:		
Accounts receivable	121,818	(107,247)
Pledges receivable	(532,447)	311,000
Other current assets	(11,965)	1,758
Accounts payable and accrued expenses	(1,926)	10,723
Accrued salaries and vacation	(15,942)	83,676
Agency funds	(8,485)	4,054
Deferred revenue	(44,639)	22,410
Net Cash Provided By (Used In) Operating Activities	(364,085)	104,755
Cash Flows From Investing Activities		
Proceeds from sale of investments	1,210	1,170
Purchases of investments	(42,501)	(442,387)
Purchases of property and equipment	(52,632)	—
Net Cash Used In Investing Activities	(93,923)	(441,217)
Cash Flows From Financing Activities		
Proceeds from debt	—	350,000
Payments on finance lease	(11,628)	—
Repayments on debt	(295,213)	(88,530)
Net Cash Provided By (Used In) Financing Activities	(306,841)	261,470
Decrease In Cash, Restricted Cash And Cash Equivalents	(764,849)	(74,992)
Cash, Restricted Cash And Cash Equivalents - Beginning Of Year	936,488	1,011,480
Cash, Restricted Cash And Cash Equivalents - End Of Year	$ 171,639	$ 936,488
Supplemental Cash Flow Information		
Property and equipment purchases in accounts payable and accrued expenses	$ 389,723	$ —
Donated supplies and services	8,152	6,000
Acquisition of right-of-use asset through finance lease liability	10,635	—
Interest paid	19,838	28,670

See the notes to financial statements.

1. Operations

Junior Achievement of Greater St. Louis, Inc. (the Organization) is a not-for-profit corporation that provides programs for students in kindergarten through high school in 144 counties in the states of Missouri, Illinois, and Indiana. The Organization's mission is to provide business, economics and entrepreneurship programs through a dedicated volunteer network. Programs are offered in-school, after-school and on-site at the Organization's JA Dennis and Judy Jones Free Enterprise Center (FEC). Programs focus on seven key components: business, citizenship, economics, ethics/character, financial literacy, entrepreneurship and career development. The Organization is a licensee of Junior Achievement USA, the national entity.

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The financial statements of the Organization have been prepared on the accrual basis.

Basis Of Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board for not-for-profit organizations by presenting assets and liabilities within similar groups and classifying them in a way that provides relevant information about the interrelationships, liquidity, and financial flexibility. As a result, the Organization is required to report information regarding its financial position and activities according to the following classes of net assets:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but expenses are not presented by all functional and natural categories. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Estimates And Assumptions

The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash, Restricted Cash And Cash Equivalents

The Organization considers all demand, highly liquid, short-term investments with original or remaining maturities of three months or less to be cash equivalents.

The Organization invests its excess cash in debt instruments and securities with financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that maintain safety and liquidity. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) insurable limits.

The following is a reconciliation between cash, restricted cash and cash equivalents reported within the statement of financial position and the total cash, restricted cash and cash equivalents as shown in the statement of cash flows as of June 30:

	2023	2022
Cash and cash equivalents	$ 133,373	$ 892,714
Restricted cash - agency funds	38,266	43,774
Total cash and restricted cash	$ 171,639	$ 936,488

Restricted cash is restricted for Junior Achievement executive group that is currently held by the Organization but will transfer to a different Junior Achievement in the future.

Investments

Investments are reported at fair value with the exception of the certificate of deposit, which is valued at cost, which approximates fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received, which are considered a fair measure of the value at the date of donation. Gains or losses on sales of investments are determined on a specific cost identification method. Unrealized gains and losses are determined based on year-end market value fluctuations.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

Pledges Receivable

Unconditional pledges receivable in future periods are recognized as support in the period the pledges are received. Conditional pledges, which consist of those pledges with a measurable performance or other barrier and a right of return, are recognized as support when the conditions upon which they depend are substantially met. The Organization provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of all pledges. The estimated losses are based on historical collection experience, as well as a review of the current status of the existing pledges receivable. Pledges receivable that are expected to be collected after one year are discounted at a rate based on consideration of risk-free Treasury rates and the Organization’s borrowing rate.

Property And Equipment

Property and equipment are carried at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method. Additions exceeding $1,000 are capitalized. The assets are depreciated over the following periods:

Land improvements	15 years
Building	30 - 40 years
Equipment	5 - 7 years

Leases

On July 1, 2022, the Organization utilized the modified retrospective approach to adopt the provisions of Accounting Standards Codification (ASC) Topic 842, *Leases*. The initial adoption of ASC 842 did not result in a cumulative adjustment to net assets. Results for the year ended June 30, 2023 are presented under ASC 842, while the prior period financial statements have not been adjusted and continue to be presented under ASC 840, the accounting standard in effect at that time.

As further described in Note 10, the Organization maintains a lease for office equipment. Lease right-of-use (ROU) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The Organization's lease has a term of five years. The Organization does not record ROU assets or lease liabilities for leases with an initial expected lease term of 12 months or less. For operating leases, lease expense for minimum lease payments is recognized on a straight-line basis over the term of the lease.

The lease terms utilized in determining ROU assets and lease liabilities include the noncancellable portion of the underlying leases along with renewal periods, only if it is reasonably certain that the option will be exercised. While the leases may contain renewal options, there is generally not a significant economic incentive to exercise the options. Accordingly, only the initial term is included in the lease term when calculating the ROU assets and lease liabilities. The Organization has not included any termination penalties in its lease payments, nor shortened any lease terms related to options to terminate a lease.

As most leases do not provide an implicit discount rate, the Organization estimates an incremental borrowing rate based on the information available at the lease commencement date to determine the present value of the lease payments. The estimated incremental borrowing rate represents the estimated rate of interest that would have been charged to borrow an amount equal to the lease payments on a collateralized basis for a similar period of time.

The Organization does not separate non-lease components of a contract from the lease components to which they relate for all classes of lease assets.

Paycheck Protection Program Loans

The Organization received loans that were part of the Paycheck Protection Program (PPP) established under the Coronavirus Aid Relief, and Economic Security Act (CARES Act) and administered by the U.S. Small Business Administration (SBA). In accordance with the requirements of the CARES Act, the Organization used the proceeds from the loans exclusively for qualified expenses under the PPP, mainly payroll costs, as further detailed in the CARES Act and applicable guidance issued by the SBA. The Organization considered the PPP loans to be debt, subject to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 470, *Debt*. The Organization did not impute additional interest at a market rate as transactions where interest rates are prescribed by governmental agencies are not subject to the accounting guidance on imputing interest.

The loans remained recorded as a liability until either (1) the loan was, in part or wholly, forgiven and the Organization was legally released or (2) the Organization paid off the loan. Once the loan was, in part or wholly, forgiven and legal release was received, the Organization reduced the liability by the amount forgiven and recorded a gain on extinguishment. See Note 9 for additional disclosures regarding the forgiveness of the second PPP loan in 2022.

Revenue Recognition And Deferred Revenue

Disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue streams are as following:

Capstone Programs Sponsorships

The Organization sells sponsorships to various local corporations and organizations for location/space in the FEC. The Sponsorship fees are outlined in multi-year, cancellable contracts and are accounted for as exchange transactions. As such, revenue is recognized over the period the activity is performed. Payments received in the current year for future Capstone Program sponsorships are recorded as deferred revenue and are recognized as revenue in the appropriate future year. The opening and closing balances of deferred revenue for the year ended June 30, 2023 is $108,665 and $55,498 respectively. The opening and closing balance of deferred revenue for the year ended June 30, 2022 is $75,665 and $108,665, respectively.

Future commitments for sponsorships related to the Capstone Programs that have not met the requirements to be recorded as revenue at June 30, 2023 and 2022 approximate $157,500 and $291,000, respectively.

Capstone Programs Student Fees

Student fees are charged for access to the Organization's support services, which include admittance into the facility, access to technology resources and access to the program activities in the FEC. These fees are recognized over time as the benefits are simultaneously provided and consumed by the students, which is typically over the day of the event. There are no student fee contract assets or liabilities at June 30, 2023 or 2022.

Scholarships

The Organization provides scholarships for program student fees.

Overall economic conditions can impact the nature, timing and uncertainty of the Organization's revenues and cash flows.

Support With And Without Donor Restrictions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is received. The Organization has adopted the policy of reporting net assets released from restrictions upon completion of donor purpose restrictions, regardless of whether the related cash has been received.

Employee Retention Credit

The CARES Act provided an employee retention credit, which is a refundable tax credit against certain employment taxes of up to $5,000 per employee for eligible employers. The credit is equal to 50% of qualified wages paid to employees during a quarter, capped at $10,000 of qualified wages through December 31, 2020.

The Consolidated Appropriations Act of 2021 extended and expanded the availability of the employee retention credit through December 31, 2021. However, certain provisions apply only after December 31, 2020. This new legislation amends the employee retention credit to be equal to 70% of qualified wages paid to employees after December 31, 2020 and before December 31, 2021. The Infrastructure Investment and Jobs Act, which was signed in November 2021, changed the ending date of availability of the employee retention credit for the Organization to September 30, 2021. During 2021, a maximum of $10,000 in qualified wages for each employee per calendar quarter may be counted in determining the 70% credit. Therefore, the maximum tax credit that can be claimed by an eligible employer in 2021 is $7,000 per employee per calendar quarter. The Organization recognizes the employee retention credit when the conditions for earning it are substantially met.

The Organization qualified for the credit beginning in December 2020 and received additional credits for qualified wages through March 31, 2021. During the years ended June 30, 2023 and 2022, revenue in the amount of $182,985 and $130,957, respectively, related to the employee retention credit and related interest was recognized on the statement of activities. At June 30, 2022, $111,865 remained outstanding and was included in accounts receivable on the statement of financial position. At June 30, 2023, no amounts remained outstanding.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements:

School Programs

School programs include:

The elementary school program is an economic awareness program designed to build economic literacy and show students the relationship between education and success in the workplace.

The middle grades program builds on concepts the students learned in the Organization’s elementary school program. The program helps teens prepare for their educational and professional future. The program supplements standard social studies curricula and develops communication skills that are essential to success in the business world. Once a week for six weeks, business volunteers serve as role models in leading discussions and activities, as well as enhancing the program with their own experiences and business knowledge.

The high school program includes in-school and after-school curriculum that focuses on analyzing and exploring personal opportunities. Fundamental concepts include micro-, macro- and international economics. This program utilizes volunteer business people to make economic concepts relevant in order to become successful in the workplace and life.

JA Trades is a new program for elementary, middle and high school students, that is created locally with input from educators, business leaders, individuals in trade jobs, trade association leaders, and students. In JA Trades, students learn about many jobs in trades and have first-hand experiences in the jobs by rotating through multiple stations. Students will learn about jobs in trades, identify jobs that align with their interests, understand the benefits of jobs in trades, appreciate safety, and learn how STEM aligns with many jobs in trades.

Capstone Programs

The Capstone Programs provide learning experiences to inspire and enable young people to value free enterprise and to understand business and economics to improve the quality of their lives. Through two experiential learning areas (JA BizTown and JA Finance Park) located within the FEC, students are given the opportunity to gain practical, hands-on experience with the free enterprise system.

Management And General Administrative

Includes the functions necessary to provide support programs; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Organization's Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Fundraising

Includes the functions necessary to advance the mission of the Organization; and to provide the structure to encourage financial support from individuals, as well as from auxiliary groups, corporations and foundations, via direct gifts and fundraising events.

Donated Supplies, Equipment And Services

Various supplies, equipment and services are donated to the Organization. Donated supplies, equipment and those donated services that meet the criteria for recognition under generally accepted accounting principles and whose value is greater than $1,000 are recorded at fair value at the date of the donation. A substantial number of other volunteers have also donated a significant amount of their time to the Organization's programs; however, such donated services have not been recorded because they do not meet the criteria for recognition.

The Organization received the following contributed nonfinancial assets:

	2023	2022
Equipment and supplies	**$ 61,146**	$ 13,865
Services	**8,152**	6,000
	$ 69,298	$ 19,865

All donated assets were utilized by the Organization's programs or supporting services. There were no donor-imposed restrictions associated with the donated assets.

Expense Allocation

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as specific to that functional area.

Expenses that benefit multiple functional or program areas have been allocated across programs and other supporting services based on the following methods:

Natural Category	**Method**
Salaries	Time study
Payroll taxes and benefits	Salary ratio
Information technology	Direct charge, square footage and salary ratio
Insurance	Square footage and time study
Postage and delivery	Square footage and time study
Printers and copiers	Square footage and time study
Repairs and maintenance	Square footage and time study
Supplies	Square footage and time study
Telephone	Square footage and time study
Utilities	Square footage and time study
Depreciation	Direct charge, square footage and salary ratio

Income Taxes

The Organization constitutes a qualified not-for-profit organization and is, therefore, exempt from federal income taxes on related, exempt income under Section 501(c)(3) of the Internal Revenue Code.

Subsequent Events

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

3. Investments

Investments consist of the following at June 30:

	2023	2022
Equity stock market index fund	$ 1,428,545	$ 1,201,252
Intermediate-term bond fund	788,830	794,394
Certificate of deposit	62,000	62,289
Other	29,952	28,910
	$ 2,309,327	$ 2,086,845

These amounts are reported in the statement of financial position as follows:

	2023	2022
Investments	$ 2,224,370	$ 2,001,888
Assets restricted for permanent endowment	84,957	84,957
	$ 2,309,327	$ 2,086,845

4. Fair Value Measurements

Accounting rules in fair value measurements establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The methods described may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. 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 values of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at June 30, 2023 or 2022.

The Organization's investments are measured at fair value, with the exception of the certificate of deposit, and all are considered Level 1 as of June 30, 2023 and 2022.

5. Pledges Receivable

Pledges receivable consist of the following at June 30:

	2023			2022
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Amounts collectible in less than one year	$ 688,406	$ 341,333	$ 1,029,739	$ 455,293
Less: Allowance for doubtful accounts	65,236	—	65,236	23,237
	$ 623,170	$ 341,333	$ 964,503	$ 432,056

At June 30, 2023, approximately 44% of pledges receivable are from two donors. At June 30, 2022, 44% of pledges receivable were from one donor.

For the year ended June 30, 2023, approximately 24% of contributions are from one donor. For the year ended June 30, 2022, there were no significant concentrations of contributions.

6. Net Assets And Endowment Fund

Purpose and time restricted net assets consist of the following donor-restricted amounts at June 30:

	2023	2022
Operations	$ 68,141	$ 56,127
Programs	310,000	—
	$ 378,141	$ 56,127

Net assets released from donor-imposed restrictions are as follows:

	2023	2022
Operations	$ 55,793	$ 93,203

Perpetual in nature net assets consist of the following:

	2023	2022
Scholarship endowment	$ 62,000	$ 62,000
General endowment	22,957	22,957
	$ 84,957	$ 84,957

Total net assets with donor restrictions are comprised of the following:

	2023	2022
Purpose and time restrictions	$ 378,141	$ 56,127
Perpetual in nature	84,957	84,957
	$ 463,098	$ 141,084

Donor-Restricted Endowment Funds

The Organization has two donor-restricted endowment funds. Income from the scholarship endowment is used each year to fund scholarships, and income from the general endowment is used to fund general operations each year.

Board-Designated Endowment Fund

The Organization has one endowment fund (The Endowment Fund at Junior Achievement of Greater St. Louis) that is designated by the Board of Directors. This endowment fund is intended to provide annual operating support to the Organization.

Preservation Of Original Gifts

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (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 donor-restricted net assets (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 the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Included in the donor-restricted endowment fund are unappropriated earnings that will remain 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:

(1) The duration and preservation of the funds;
(2) The purposes of the Organization and the donor-restricted endowment funds;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and appreciation of investments;
(6) Other resources of the Organization; and
(7) The investment policies of the Organization.

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of those contributions or "historic dollar value." There are no deficiencies at June 30, 2023 or 2022.

Return Objectives And Risk Parameters

The Organization has adopted investment and spending policies for the endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets, unless otherwise stipulated by the donor. The endowment's long-term investment objective is to achieve a total annualized return (aggregate return from interest, dividends and capital appreciation), consistent with acceptable risk levels, that will meet or exceed the sum of the endowment's spending rate, inflation and fees. To achieve the endowment objective, the endowment assets are invested to general appreciation and/or dividend and interest income, and they are diversified among asset classes approved by the Board of Directors.

Strategies Employed For Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy And How The Investment Objectives Relate To It

The Organization records earnings from its endowments as with donor restrictions until such time as they are appropriated and released to net assets without donor restrictions when market conditions allow. As of June 30, 2023 and 2022, all accumulated earnings on the endowments have been appropriated. The Organization has a policy that permits prudent spending from underwater endowments, unless otherwise precluded by donor intent or relevant laws and regulations.

Endowment Asset Composition By Type Of Fund As Of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ —	$ 84,957	$ 84,957
Board-designated endowment funds	1,872,461	—	1,872,461
	$ 1,872,461	$ 84,957	$ 1,957,418

Endowment Asset Composition By Type Of Fund As Of June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ —	$ 84,957	$ 84,957
Board-designated endowment funds	1,675,774	—	1,675,774
	$ 1,675,774	$ 84,957	$ 1,760,731

Changes In Endowment Assets For The Fiscal Year Ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets - beginning of year	$ 1,675,774	$ 84,957	$ 1,760,731
Investment return	196,687	—	196,687
Proceeds from contributions designated for investment in endowment	200,000	—	200,000
Transfers from board-designated endowment funds to operations	(200,000)	—	(200,000)
Endowment assets - end of the year	$ 1,872,461	$ 84,957	$ 1,957,418

Changes In Endowment Assets For The Fiscal Year Ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets - beginning of year	$ 1,521,073	$ 84,957	$ 1,606,030
Investment return	(245,299)	—	(245,299)
Proceeds from contributions designated for investment in endowment	400,000	—	400,000
Endowment assets - end of the year	$ 1,675,774	$ 84,957	$ 1,760,731

At June 30, 2023, board-designated endowment net assets are comprised of $1,822,461 in investments and $50,000 in cash for a total balance of $1,872,461. At June 30, 2022, board-designated endowment net assets are comprised of $1,625,774 in investments and $50,000 in cash and $200,000 of pledges for a total balance of $1,875,774.

7. Related Party Transactions

In accordance with license fee and Capstone per-student fee arrangements with Junior Achievement USA, annual program support fees are charged to the Organization. These fees are calculated according to specific formulas as outlined in the fee agreements. The license fee in any given year is paid over ten monthly installments based on the total reported revenue of the previous year. The Organization also purchases substantially all of its program materials and supplies from Junior Achievement USA and Junior Achievement Supply Organization (JASCO), a division of Junior Achievement USA. The license fee, program material and supplies are included in program expense and support on the statement of functional expenses. Additionally, 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 are $802,094 and $670,743 during fiscal years 2023 and 2022, respectively. As of June 30, 2023 and 2022, there are no amounts due to Junior Achievement USA.

For the years ended June 30, 2023 and 2022, the Organization received contributions, special event revenue, and various donated supplies, equipment and services of $1,831,089 and $1,071,511, respectively, for operations from various members of the Board of Directors and their related companies. As of June 30, 2023 and 2022, outstanding pledges of $403,177 and $99,650, respectively, are due from these parties.

In addition to the amounts noted in the paragraph above, various members of the Board of Directors and their related companies provide sponsorships for the Capstone Programs. During fiscal years 2023 and 2022, revenue recorded from Board of Directors sponsorships approximated $138,000 and $129,000, respectively. Amounts included in deferred revenue related to Board of Directors sponsorships approximated $48,000 and $99,500 at June 30, 2023 and 2022, respectively.

The Organization also holds cash and investments in financial institutions at which various members of the Board serve as executives. Fees paid to these institutions are minimal in fiscal years 2023 and 2022.

8. Pension, Postretirement And Health And Welfare Benefit Plans

Defined Contribution Plan

Due to the termination of the multiemployer pension plan, the Organization established a 401(k) plan effective July 1, 2019. The Organization will make a discretionary match up to 5% of each participant's compensation. During 2023 and 2022, $79,999 and $66,379, respectively, was contributed by the Organization.

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 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 Areas in the United States 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.

9. Debt

Term Loan

In March 2021, the previous line of credit agreement was modified, and the outstanding principal balance of $500,000 was converted to a term loan. The term loan bears interest at 6.43% and is secured by the personal property of the Organization. Beginning May 2021, monthly principal and interest payments in the amount of $9,767 are being made until maturity in April 2026. During 2023, an additional $200,000 payment was made on the term loan. At June 30, 2023 and 2022, principal outstanding amounted to $102,150 and $397,363, respectively, and interest in the amount of $19,838 and $28,670, respectively, was incurred and paid for the years ended June 30, 2023 and 2022.

Economic Injury Disaster Loan

In January 2021, the Organization entered an additional loan agreement with the SBA under the COVID-19 Economic Injury Disaster Loan (EIDL) program in the amount of $150,000. The loan bears interest at a fixed rate of 2.75% per annum and is secured by the Organization's tangible and intangible personal property. Monthly payments of principal and interest of $641 were deferred until January 2022 and the loan will mature in January 2051. In July 2021, the loan was modified under the same terms to increase the principal amount to $500,000. Updated monthly principal and interest payments of $2,179 will begin July 2023. The outstanding balance at June 30, 2023 and 2022 is $500,000, respectively.

Paycheck Protection Program Loans

In February 2021, the Organization was awarded a second PPP loan from the SBA in the amount of $456,013. The unsecured loan bore interest at 1%, with principal and interest payments deferred until ten months following the end of the eight to twenty-four week loan forgiveness covered period under this loan. During 2022, the Organization received loan forgiveness from the SBA in the amount of $456,013, which is reflected as revenue in the statement of activities for the year ended June 30, 2022.

The scheduled debt maturities at June 30, 2023 are as follows:

Year Ended	Term Loan	EIDL	Total
2024	$ 100,653	$ —	$ 100,653
2025	1,497	—	1,497
2026	—	6,155	6,155
2027	—	12,530	12,530
2028	—	12,847	12,847
Thereafter	—	468,468	468,468
	$ 102,150	$ 500,000	$ 602,150

10. Leases

The Organization has a finance lease for office equipment, which expires in November 2027. The asset under the finance lease is capitalized using a discount rate of 6.4% and amortized over the remaining life of the lease of 4.41 years. Amounts paid and included within financing activities on the statement of cash flows were $11,628 for the year ended June 30, 2023. The Organization has finance lease costs of $7,563, which consists of $5,790 of amortization of the right-of-use asset and $1,773 of interest expense for the year ended June 30, 2023, which is included in printer and copiers on the statement of functional expenses.

The reconciliation of the undiscounted cash flows for each of the next five years of the lease liabilities recorded on the statement of financial position is as follows:

Year	Finance Lease
2024	$ 11,628
2025	11,628
2026	11,628
2027	11,628
2028	4,827
Total minimum lease payments	51,339
Less: Amount of lease payments representing interest	(6,719)
Present value of future minimum lease payments	44,620
Less: Current portion	9,034
	$ 35,586

For the year ended June 30, 2022, the Organization had an operating lease for rental equipment. Rental payments associated with this lease were recognized on a straight-line basis over the lease term. Rent expense under the lease agreement was $21,600 during 2022. Future minimum lease payments as of June 30, 2022 were $5,712 due in 2023.

11. Liquidity And Availability Of Financial Assets

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

	2023	2022
Cash and cash equivalents	$ 133,373	$ 892,714
Investments	2,224,370	2,001,888
Accounts receivable	6,489	128,307
Pledges receivable, net	964,503	432,056
Total financial assets	3,328,735	3,454,965
Less amounts not intended to be used within one year:		
Pledges receivable, net - designated by the Board for specific purposes	—	200,000
Investments designated by the Board for endowment	1,872,461	1,675,774
Total financial assets not intended to be used within one year	1,872,461	1,875,774
Financial assets available to meet cash needs for general expenditures within one year	$ 1,456,274	$ 1,579,191

The Organization manages its liquidity and reserves by operating to a budget and maintaining adequate liquid assets to fund near term operating needs. Board-designated funds can be used in the case of any liquidity shortage with the approval of the Board.