

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC.  
AND RELATED ENTITIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2023 AND 2022**



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**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC.  
AND RELATED ENTITIES  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Junior Achievement of Central Florida, Inc.  
and Related Entities  
Orlando, Florida

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Junior Achievement of Central Florida, Inc. and related entities (nonprofit organizations) which comprise the consolidated statements of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Junior Achievement of Central Florida, Inc. as of June 30, 2023, and the change of 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.

#### ***Report on Summarized Comparative Information***

We have previously audited Junior Achievement of Central Florida, Inc. and related entities' 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 28, 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 consolidated financial statements from which it has been derived.

#### ***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 Consolidated Financial Statements section of our report. We are required to be independent of Junior Achievement of Central Florida, 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.

#### ***Change in Accounting Principle***

As discussed in Note 2 to the financial statements, in 2023, Junior Achievement of Central Florida, Inc. adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Central Florida, Inc.'s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

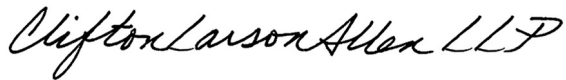
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 Central Florida, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Junior Achievement of Central Florida, 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.

Board of Directors  
Junior Achievement of Central Florida, Inc.  
and Related Entities

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 25-26 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Orlando, Florida  
November 9, 2023

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 303,908	\$ 552,297
Investments - Current	572,223	514,266
Contributions Receivable, Net	292,831	408,376
Inventories	71,382	81,746
Prepaid Expenses	41,723	21,379
Total Current Assets	<u>1,282,067</u>	<u>1,578,064</u>
<b>LONG-TERM ASSETS</b>		
Investments - Long-Term	1,314,461	1,272,362
Assets Held by Community Foundation	35,390	33,004
Finance Lease Right-of-Use Assets, Net of Accumulated Amortization	33,711	-
Fixed Assets, Net	<u>195,791</u>	<u>266,456</u>
Total Long-Term Assets	<u>1,579,353</u>	<u>1,571,822</u>
Total Assets	<u><u>\$ 2,861,420</u></u>	<u><u>\$ 3,149,886</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 76,473	\$ 51,157
Refundable Advance	750	10,496
Short-Term Lease Liability - Financing	11,058	12,463
Line of Credit	<u>61,001</u>	<u>75,000</u>
Total Current Liabilities	<u>149,282</u>	<u>149,116</u>
<b>LONG-TERM LIABILITIES</b>		
Long-Term Lease Liability - Financing	<u>20,656</u>	<u>29,402</u>
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions	<u>1,283,128</u>	<u>1,297,734</u>
Total Net Assets Without Donor Restrictions	<u>1,283,128</u>	<u>1,297,734</u>
Net Assets With Donor Restrictions	<u>1,408,354</u>	<u>1,673,634</u>
Total Net Assets	<u>2,691,482</u>	<u>2,971,368</u>
Total Liabilities and Net Assets	<u><u>\$ 2,861,420</u></u>	<u><u>\$ 3,149,886</u></u>

See accompanying Notes to Consolidated Financial Statements.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2023 Total	2022 Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Contributions:				
Corporate	\$ 364,857	\$ 79,643	\$ 444,500	\$ 442,044
Individual	219,708	-	219,708	150,751
Foundations	310,039	229,360	539,399	645,645
Total Contributions	<u>894,604</u>	<u>309,003</u>	<u>1,203,607</u>	<u>1,238,440</u>
Special Events	382,340	64,000	446,340	299,458
Governmental Revenue	-	-	-	58,408
Dividend and Interest Income, Net	49,715	-	49,715	54,063
Donated Supplies and Services	495,857	-	495,857	528,290
Other Income	22,828	-	22,828	146,112
Net Assets Released from Restrictions	638,283	(638,283)	-	-
Total Revenues, Gains, and Other Support	<u>2,483,627</u>	<u>(265,280)</u>	<u>2,218,347</u>	<u>2,324,771</u>
<b>EXPENSES</b>				
Program Expenses	1,763,427	-	1,763,427	1,326,099
Management and General	229,142	-	229,142	195,158
Fundraising Expenses	442,574	-	442,574	358,749
Cost of Direct Benefits to Donor	194,424	-	194,424	113,669
Total Expenses	<u>2,629,567</u>	<u>-</u>	<u>2,629,567</u>	<u>1,993,675</u>
<b>CHANGE IN NET ASSETS BEFORE INVESTMENT RETURN</b>	(145,940)	(265,280)	(411,220)	331,096
Investment Return, Net	<u>131,334</u>	<u>-</u>	<u>131,334</u>	<u>(301,761)</u>
<b>CHANGE IN NET ASSETS</b>	(14,606)	(265,280)	(279,886)	29,335
Net Assets - Beginning of Year	<u>1,297,734</u>	<u>1,673,634</u>	<u>2,971,368</u>	<u>2,942,033</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,283,128</u>	<u>\$ 1,408,354</u>	<u>\$ 2,691,482</u>	<u>\$ 2,971,368</u>

See accompanying Notes to Consolidated Financial Statements.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)**

	2023					2022
	Program Services	Cost of Direct Benefits to Donor	Management and General	Fundraising	Total	Total
<b>IN-KIND</b>						
Program Materials & Services	\$ 404,448	\$ -	\$ -	\$ -	\$ 404,448	\$ 450,241
Special Events	-	40,821	-	-	40,821	53,683
Payroll and Taxes	1,469	-	-	-	1,469	9,586
Maintenance	675	-	188	386	1,249	1,251
Professional Fees	9,839	-	2,743	5,629	18,211	21,283
Computers and Software	-	-	-	-	-	1,096
<b>NON-IN-KIND</b>						
Bad Debt Expense	-	-	12,340	-	12,340	21,125
Computers and Software	19,189	-	5,349	10,978	35,516	30,407
Depreciation	26,774	-	7,463	15,317	49,554	42,578
Employee Benefits	50,364	-	14,038	28,813	93,215	60,670
Equipment Lease	814	-	227	466	1,507	8,965
Liability Insurance	19,985	-	1,646	3,379	25,010	20,087
Maintenance	13,595	-	3,789	7,777	25,161	22,509
Miscellaneous	13,545	-	3,775	7,749	25,069	19,180
National Participation	365,136	-	-	-	365,136	250,366
Office Supplies	2,052	-	572	1,174	3,798	3,569
Outside Services	23,940	-	5,130	5,130	34,200	5,500
Payroll	532,377	-	148,392	304,568	985,337	746,453
Payroll Tax	36,070	-	10,054	20,635	66,759	46,349
Postage	267	-	74	153	494	298
Professional Fees	29,600	-	8,251	16,934	54,785	36,610
Program Materials	168,911	-	-	-	168,911	12,175
Public Relations	9,000	-	-	3,000	12,000	12,956
Special Events	-	153,603	-	-	153,603	59,986
Staff Development/Training	8,263	-	2,303	4,727	15,293	5,498
Telephone	257	-	74	147	478	4,727
Travel	14,632	-	-	-	14,632	11,190
Utilities	9,810	-	2,734	5,612	18,156	16,075
Volunteer Recognition	2,415	-	-	-	2,415	15,881
Volunteer Recruiting/Training	-	-	-	-	-	3,381
Total Functional Expenses	<u>\$ 1,763,427</u>	<u>\$ 194,424</u>	<u>\$ 229,142</u>	<u>\$ 442,574</u>	<u>\$ 2,629,567</u>	<u>\$ 1,993,675</u>

See accompanying Notes to Consolidated Financial Statements.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2023**  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributions	\$ 1,778,574	\$ 1,586,490
Interest and Dividends Received	60,167	65,668
Cash Paid to Suppliers and Employees	(2,073,567)	(1,524,759)
Interest Paid	(6,034)	(3,173)
Net Cash Provided (Used) by Operating Activities	<u>(240,860)</u>	<u>124,226</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property & Equipment	(12,705)	(40,983)
Proceeds from Sale of Investments	230,501	98,014
Purchases of Investments	(201,175)	(78,311)
Net Cash Provided (Used) by Investing Activities	<u>16,621</u>	<u>(21,280)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Debt Issuance	60,000	35,765
Principal Payments on Finance Lease Obligations	(10,151)	(4,547)
Repayment of Line of Credit	(73,999)	-
Net Cash Provided (Used) by Financing Activities	<u>(24,150)</u>	<u>31,218</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(248,389)	134,164
Cash and Cash Equivalents - Beginning of Year	<u>552,297</u>	<u>418,133</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 303,908</u></u>	<u><u>\$ 552,297</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Donated Property and Equipment	<u>\$ 4,445</u>	<u>\$ -</u>
Purchase of Property and Equipment - Financed	<u>\$ -</u>	<u>\$ 35,765</u>

See accompanying Notes to Consolidated Financial Statements.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 ORGANIZATION**

Junior Achievement of Central Florida, Inc. (Junior Achievement), JA Academy-Orlando, Inc. (JA Academy), and Junior Achievement of Central Florida Foundation, Inc. (the Foundation) (collectively the Organization) are organized to ensure that all graduating students in Central Florida are financially literate, grounded in free enterprise, leadership and entrepreneurial principles, and ready for the workplace. Junior Achievement is supported primarily through private donor contributions, private grants, and special events. The consolidated financial statements of Junior Achievement include the programs of Orange, Seminole, Osceola, and Volusia Counties. The Foundation invests endowment funds solely for the benefit of Junior Achievement. JA Academy was formed in November 2012, as a magnet school to challenge, engage, and enlighten students about the boundless business opportunities that await them.

Junior Achievement transferred equity of \$390,000 to JA Academy as startup capital for the entity during the year ended June 30, 2014. The transfer occurred to support JA Academy in its first year of operations as a separate legal entity.

In 2019, Junior Achievement USA (the National Organization) launched 3DE by Junior Achievement (3DE) through 3DE National LLC, a national education model that provides full-immersion educational services in high schools across the country to select JA area affiliates. Building on the success of the Organization's "school-within-a-school" program model of JA Academy, 3DE developed a scalable version of this innovative concept designed to reengineer high school education to connect the relevancy of education to the real world. The Organization adopted 3DE as the curriculum model in 2019 (as further described in Note 12) and began transitioning away from JA Academy in Fall 2019. The Organization opened a new school fully under the 3DE Model in Fall 2022. The transition to 3DE has enabled the Organization to scale and expand the success of JA Academy.

As a result of the growth of the 3DE program at the National level, JA Academy was closed fully as of June 30, 2022, and any remaining assets were transferred to Junior Achievement of Central Florida.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation**

The consolidated financial statements for 2022 include the accounts of the Junior Achievement of Central Florida, Inc., JA Academy-Orlando, Inc., and Junior Achievement of Central Florida Foundation, Inc. The consolidated financial statements for 2023 include the accounts of the Junior Achievement of Central Florida, Inc. and Junior Achievement of Central Florida Foundation, Inc. Significant intercompany accounts and transactions have been eliminated in consolidation.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Comparative Financial Information**

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**Basis of Accounting**

The consolidated financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned, and expenses when the obligations are incurred.

**Adoption of New Accounting Standards**

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use the incremental borrowing rate in accordance with the line of credit agreement.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU asset.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For financial statement purposes, the Organization considers all highly liquid debt instruments with a maturity of three months or less to be cash.

**Contributions Receivable**

The Organization records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

**Inventories**

Inventories primarily consist of school supplies, clothing, and gifts for special events. Donated school supplies, clothing, and gifts are recorded at estimated fair value.

**Property and Equipment**

Property and equipment in excess of \$100 is capitalized at cost when purchased or at fair value at the date of the gift, if donated. Depreciation is calculated by the straight-line method over estimated useful lives of 3 to 40 years. Contributed assets are recorded at their estimated fair value at the date of contribution. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Repairs and maintenance are expensed as incurred.

**Investments**

Investments are presented in the consolidated financial statements at fair value in accordance with accounting principles generally accepted in the United States of America. Changes in fair value are recorded as unrealized gains (losses). Realized gains (losses) are recorded upon the sale of the investment. Investment gains pertaining to certain restricted net assets are recorded as with donor restrictions in accordance with the applicable gift instruments. Interest income is recognized under the accrual basis and dividend income is recognized on the ex-dividend date.

Investments are exposed to various risks such as interest rate, market, and credit risks. It is reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect the amounts reported.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurement**

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity has the ability to access.

*Level 2* – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

*Level 3* – Inputs whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

The Organization recognizes gifts of cash or other assets reported as net assets with donor restrictions 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 a purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

**Donated Supplies and Services**

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair value at the date of donation. Contributions of donated or discounted services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The noncash donations, included as program, management and general, and fundraising expenses in the accompanying consolidated financial statements, consisted of the following as of June 30:

Description	2023	2022	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Services	\$ 455,558	\$ 509,446	3DE Program services, Busing Services, Production and venue costs, legal services, consulting, marketing, and pest control	3DE	Fair value estimated on the basis of current rates for comparable services
Food and Beverages	9,431	1,820	Beverages and food for events	None	Fair value estimated on the basis of current rates for comparable products
Household Goods and Clothing	30,868	17,024	Prizes donated for Bowl-a-thon, software, laptop, printer	None	Fair value estimated on the basis of current rates for comparable products
Total	<u>\$ 495,857</u>	<u>\$ 528,290</u>			

The Organization records the value of donated services when there is an objective basis available to measure the donation's value. In addition, many individuals' volunteer time and skills to perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as donated services.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expenses**

The costs incurred by the Organization have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated between the program service, management, and general and fundraising expenses of the Organization. These allocations have been made based on considerations of time usage. Expenses specifically identified with a program or supporting service are assigned to that function accordingly. Expenses for natural categories including Program Materials, Volunteer Recruiting/Training, National Participation, Volunteer Recognition, Travel, are allocated 100% to Program Services. Expenses for Special Events are allocated 100% to Cost of Direct Benefits to Donor. Bad Debt Expense is allocated 100% to Management & General. The allocation for the remaining natural categories is calculated based on an allocation of payroll expenses. Employees are sorted as Program, Fundraising, or Management based on their job function. The amount of salaries attributable to each classification is divided by total salaries to arrive at allocation percentages for each classification. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different results.

**Income Taxes**

The Organization is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal and state income taxes have been recorded in the accompanying consolidated financial statements.

The Organization follows the standard for accounting for uncertain tax positions. As a result of the implementation, the Organization recognized no liability for unrecognized tax benefits. The Organization files as a tax-exempt organization.

The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise, or other taxes.

**Concentration of Credit Risk and Uncertainties**

The Organization maintains demand deposits which may, at times, exceed federally insured limits. Both of these funds change daily depending upon cash deposits and withdrawals. To date the Organization has not experienced losses in any of these accounts.

During fiscal year 2023 and 2022, the Organization received approximately 11.52% and 23%, respectively of its total contributions from one donor. The Organization expects to maintain the relationship with the donor.

During fiscal year 2023, the Organization received approximately 11.68% of its total special event contributions from one donor. The Organization expects to maintain the relationship with the donor.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 9, 2023, the date the consolidated financial statements were available for issuance.

As of September 5, 2023, the Organization enter into an agreement with the School District of Osceola County for participation in various JA programs such as JA Inspire and JA Finance Park Advanced. The School District of Osceola County promised to pay \$79,560 over three years to the Organization which represents 10% of the total cost of the JA Inspire Program. The Organization will raise a total of \$716,040 in three years.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

The Organization's financial assets available for general expenditures within one year of the consolidated statements of financial position date comprise the following:

	<u>2023</u>	<u>2022</u>
Total Financial Assets	\$ 2,518,813	\$ 2,780,305
Donor Imposed Restrictions:		
Time and Purpose	(392,964)	(658,244)
Endowments	<u>(1,015,390)</u>	<u>(1,015,390)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,110,459</u>	<u>\$ 1,106,671</u>

Financial assets include cash and cash equivalents, investments, contributions receivable, restricted cash, and investments held for long-term purposes, and assets held by a community foundation. For purposes of analyzing resources available to meet general expenditures over one year, the Organization considers all expenditures related to its ongoing program activities, as well as the functions in support of those activities, to be general expenditures.

The Organization's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is not restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 4 FIXED ASSETS**

A summary of fixed assets at June 30 is as follows:

	2023	2022
Land	\$ 13,600	\$ 13,600
Building	894,813	894,813
Furniture and Equipment	262,253	374,792
Total	1,170,666	1,283,205
Less: Accumulated Depreciation	(974,875)	(1,016,749)
Total Fixed Assets	<u>\$ 195,791</u>	<u>\$ 266,456</u>

The depreciation expense for the years ended June 30, 2023 and 2022, totaled \$40,043 and \$42,578 respectively.

**NOTE 5 LINE OF CREDIT**

In January 2009, Junior Achievement obtained a \$300,000 revolving line of credit with Truist Bank to help finance its short-term capital needs. As of July 2, 2012, the line of credit agreement was amended to increase the amount of available credit to \$400,000. Under the new terms, any balance on the line of credit is also due upon demand. This line is collateralized by a portion of the Organization's investment account being held by Truist. The collateral account must maintain a minimum value of \$400,000 at all times. Interest is payable monthly on outstanding balances at an interest rate of .25% over the Prime Rate as established by Truist Bank from time to time. At June 30, 2023, the line's effective rate of interest was 8.75%. The line of credit had a balance of \$61,001 at June 30, 2023 and \$75,000 at June 30, 2022, respectively.

**NOTE 6 FAIR VALUE MEASUREMENTS**

Investments consist of the following at June 30:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
REITs	\$ 40,696	\$ 45,906	\$ 40,696	\$ 51,228
Fixed Income	575,159	511,790	565,814	530,741
U.S. and International Equities	761,954	1,328,988	787,272	1,204,659
Subtotal	1,377,809	1,886,684	1,393,782	1,786,628
Assets Held by Community Foundation	29,716	35,390	29,716	33,004
Total Investments	<u>\$ 1,407,525</u>	<u>\$ 1,922,074</u>	<u>\$ 1,423,498</u>	<u>\$ 1,819,632</u>

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table presents the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30:

	2023			
	Level 1	Level 2	Level 3	Total
REITs	\$ 45,906	\$ -	\$ -	\$ 45,906
Fixed Income	511,790	-	-	511,790
U.S. and International Equities	1,328,988	-	-	1,328,988
Subtotal	1,886,684	-	-	1,886,684
Assets Held by Community Foundation	-	-	35,390	35,390
Total Investments	<u>\$ 1,886,684</u>	<u>\$ -</u>	<u>\$ 35,390</u>	<u>\$ 1,922,074</u>

	2022			
	Level 1	Level 2	Level 3	Total
REITs	\$ 51,228	\$ -	\$ -	\$ 51,228
Fixed Income	530,741	-	-	530,741
U.S. and International Equities	1,204,659	-	-	1,204,659
Subtotal	1,786,628	-	-	1,786,628
Assets Held by Community Foundation	-	-	33,004	33,004
Total Investments	<u>\$ 1,786,628</u>	<u>\$ -</u>	<u>\$ 33,004</u>	<u>\$ 1,819,632</u>

The following table represents significant unobservable inputs for the following items:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2023	2022		
Assets Held by Community Foundation	\$ 35,390	\$ 33,004	Net Asset Value	Value of Underlying Assets
Total	<u>\$ 35,390</u>	<u>\$ 33,004</u>		

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 7    NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as follows:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose or the Passage of Time:		
3DE	\$    157,551	\$    250,312
Case Challenges	75,000	164,000
Finance Park Virtual	59,170	71,932
Hall of Fame	29,000	17,500
BizTown	28,493	10,000
JA Inspire - Osceola	22,500	-
Job Shadow	11,250	-
Summer Programs	10,000	-
3DE Schools	-	37,500
K - 12 schools	-	2,000
4.01k	-	25,000
Volusia County Schools	-	15,000
Drive Our Future	-	5,000
JAID	-	10,000
Operating Support	-	50,000
Subject to Expenditure for Specified Purpose or the Passage of Time	<u>392,964</u>	<u>658,244</u>
Original Donor Restricted Gift Amount to be Maintained in Perpetuity	<u>1,015,390</u>	<u>1,015,390</u>
Total Net Assets with Donor Restrictions	<u><u>\$    1,408,354</u></u>	<u><u>\$    1,673,634</u></u>

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 8 NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows:

	2023	2022
Purpose or Time Restriction Accomplished:		
3DE Schools	\$ 238,951	\$ -
Case Challenges	164,000	60,000
Finance Park Virtual	71,932	58,332
Operating Support	50,000	-
3DE	37,500	-
4.01k	25,000	-
Hall of Fame	17,500	35,000
Volusia County Schools	15,000	-
JAID	10,000	-
Drive Our Future	5,000	-
K - 12 schools	2,000	-
BizTown	1,400	-
Contributions Receivable	-	5,000
3DE Support	-	12,500
JA Inspire - Osceola	-	36,250
Scholarships	-	15,000
Shirts for Students	-	1,125
Kathy King Scholarship	-	6,615
	<u>\$ 638,283</u>	<u>\$ 229,822</u>
Net Assets Released from Restrictions	<u>\$ 638,283</u>	<u>\$ 229,822</u>

**NOTE 9 ENDOWMENT**

The Organization's endowment consists primarily of donor-restricted funds invested in perpetuity by the Foundation and amounts held by the Community Foundation. As required by generally accepted accounting principles, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

During 2011, the state of Florida enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization enacted the enhanced disclosures for endowments required by accounting guidance which became effective July 1, 2012. As a result of the adoption of UPMIFA, there were no reclassifications warranted.

As a result of this interpretation, the Organization classifies as net assets with restrictions for (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.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 9    ENDOWMENT (CONTINUED)**

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 various funds, (2) the purposes of 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 the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

**Investment Return Objectives, Risk Parameters, and Strategies**

The Organization has adopted investment and spending policies, approved by the Foundation's Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

**Spending Policy**

The Organization annually appropriates all endowment earnings and makes them available subject to the policy of appropriation for distribution each year earnings up to 5% of the endowment principal. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the endowment funds that must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3% annually, which is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

**Funds with Deficiencies**

From time to time, certain donor-restricted endowment funds may have fair value less than the amount required to be maintained by donors or law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Organization does not have any deficiencies as of June 30, 2023 and 2022.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 9 ENDOWMENT (CONTINUED)**

Changes in endowment net assets for the years ended June 30, 2023 and 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2021	\$ 491,784	\$ 1,022,005	\$ 1,513,789
Contributions	-	550	550
Investment Gains, Loss, and Fees	(151,457)	(787)	(152,244)
Transferred Out of Endowment	6,378	(6,378)	
Appropriated for Expenditures - Spending Policy	(83,327)	-	(83,327)
Endowment Net Assets, June 30, 2022	263,378	1,015,390	1,278,768
Contributions	-	-	-
Investment Gains, Loss, and Fees	114,130	-	114,130
Earnings Appropriated			
Transferred Out of Endowment	-	-	-
Appropriated for Expenditures - Spending Policy	(65,000)	-	(65,000)
Endowment Net Assets, June 30, 2023	\$ 312,508	\$ 1,015,390	\$ 1,327,898

Endowment funds are included in the consolidated statements of financial position under the following asset categories as of June 30:

	2023	2022
Cash	\$ 13,437	\$ 6,406
Investments	1,314,461	1,272,362
Total	\$ 1,327,898	\$ 1,278,768

**NOTE 10 HEALTH AND WELFARE BENEFITS TRUST AND POSTRETIREMENT BENEFITS PLAN**

**Multiemployer Pension Plan (Terminated Effective June 30, 2019)**

Prior to June 30, 2019, the National Organization offered a noncontributory defined benefit pension plan (the Plan) to its employees. The Plan was administered by the National Organization and covered all full-time employees of the National Organization, JA Worldwide, Inc. and participating Junior Achievement Areas in the United States. Benefits were determined based on years of service and salary history. Plan's assets were invested in a variety of investment funds until 2019, when a substantial portion of the portfolio was placed into fixed income mutual funds, and 2020, when Plan assets were converted to cash and cash equivalents. Prior to June 30, 2019, in accordance with the Plan documents, the Organization and participating Junior Achievement Areas made contributions to the Plan equal to 16.75% of participants' eligible compensation. The National Organization recognized, as net pension cost, the required contribution for the period and recognized, as a liability, any contributions due and unpaid. There is no recognition of the funded status of the Plan in the consolidated financial statements of the Organization.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 10 HEALTH AND WELFARE BENEFITS TRUST AND POSTRETIREMENT BENEFITS PLAN  
(CONTINUED)**

Effective June 30, 2019, the board of directors of the National Organization approved the termination of the Plan, at which time all participants who were active in the Plan became fully vested for their respective accrued benefits. The Plan required that participating employers (including the Organization) remain liable for any funding obligations under the Plan, until all liabilities and obligations of the Plan have been satisfied. As a result, during 2020, in accordance with the Plan documents, the National Organization and participating Junior Achievement Areas continued to make contributions equal to 13.25% of participants' eligible compensation.

During 2020, Plan participants elected the mode of their distribution (whether lump sum or annuity) and the Plan liquidated and distributed benefit payments accordingly. The Plan engaged an insurance company to assume the annuity portfolio, and as of June 30, 2020, substantially all benefit obligations of the Plan had either been paid (lump sum elections) or transferred (annuity elections). The remaining assets in the Plan of approximately \$5.5 million at June 30, 2023 and 2022, are restricted for additional, future termination and other required administrative expenses. Approximately \$4 million of the Plan's assets are expected to be returned to JA USA to repay the funds JA USA had advanced to the Plan to help ensure it was fully funded.

Upon the conclusion of any necessary administrative proceedings and the final review by the Pension Benefit Guarantee Corporation (PBGC), any remaining Plan assets will first be used to pay any final administrative costs, next will be used to repay advances from JA USA, described above, and lastly, will be distributed to participating employers on a pro-rata basis. The Organization received the final payment in June 2023 for approximately \$5,432.

After the termination of the Plan, JA USA facilitated individual 401(k) plans, the Organization continued with its pre-existing 403(b) plan for the years ended June 30, 2023 and 2022.

**Health and Welfare Benefits Trust**

The National Organization has a self-funded medical, dental, and other benefits plan covering full-time employees of the National 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 National Organization 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 consolidated financial statements of the Organization. The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2023 and 2022 was \$84,977 and \$60,670, respectively.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 10 HEALTH AND WELFARE BENEFITS TRUST AND POSTRETIREMENT BENEFITS PLAN (CONTINUED)**

**Postretirement Benefits Plan**

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 multi-employer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the consolidated financial statements of the Organization.

**403(b) Retirement Plan**

The Organization sponsors a 403(b) retirement plan to all eligible employees. The plan is administered by Certified Financial Group and permits employees to contribute a portion of their salary as defined in the plan document. The Organization did not make any employer contributions to the plan for the years ended June 30, 2023 and 2022.

**NOTE 11 NATIONAL PARTICIPATION FEE AND RELATED PARTY TRANSACTIONS**

In accordance with the franchise and operating agreement with the National Organization, the Organization remits a participation fee based upon the prior year's audited revenue, exclusive of certain approved special purpose donations (including contributions of land, building, and equipment), to support the National Organization. The fee is calculated as 11.5% of the first \$1,000,000 of revenue subject to license fee, 9.5% of the next \$1,000,000 raised, and 7.5% on revenue above \$2,000,000. As of June 30, 2023 and 2022, there was an accounts payable balance of \$15,033 and \$17,608, respectively related to the national participation fees. In addition to the national participation fee, the Organization purchases all of its program materials; program insurances which include general liability, D&O, crime, and accident coverage; employee life and health insurance; and software maintenance licenses from the National Organization.

The following amounts were charged by the National Organization for these fees and services for the years ended June 30:

	2023	2022
National Participation Fee	\$ 115,136	\$ 150,366
3DE Contracted Services	250,000	100,000
Program Materials	545	1,880
Program Insurance	14,078	10,286
Employee Life and Health Insurance	84,977	60,670
Total	<u>\$ 464,736</u>	<u>\$ 323,202</u>

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 11 NATIONAL PARTICIPATION FEE AND RELATED PARTY TRANSACTIONS**  
**(CONTINUED)**

On October 9, 2019, the Organization entered into a sublicense agreement with 3DE Florida, LLC, a special purpose entity of 3DE National, LLC for the nonexclusive, nontransferable, and nonsublicensable right and license to the 3DE brand, programs and materials, and the 3DE Model, as defined in the agreement. Under the terms of the agreement, 3DE will pursue development, implementation, and management of the 3DE Model in Central Florida with input from the Organization. In addition, 3DE will provide 80% of the funding needed for the first 3DE school in the area, and 50% for expansion schools. The Organization's responsibilities include development of a multi-year strategic plan for the development and implementation of the 3DE Model; source half of all Case Challenge needs for 3DE schools, provide remaining funding needed for 3DE Model implementation, and certain reporting responsibilities. The agreement expires June 30, 2024 and provides for automatic five-year renewal periods unless otherwise terminated as permitted in the agreement. During the years ended June 30, 2023 and June 30, 2022, the Organization received \$404,448 and \$385,526 of in-kind services from 3DE, respectively.

During years ended June 30, 2023, and 2022, the Organization received contributions from members of the board of directors of \$141,092 and \$27,748, respectively. There was contributions receivable of \$5,589 and \$36,701, as of June 30, 2023 and 2022, respectively.

**NOTE 12 LEASES**

**Operating Lease**

The Organization leased copier equipment that expired in August 2022. The monthly payment for the copier was approximately \$203.

**Finance Lease**

The Organization leases printer equipment and phones that expire in May 2027 and February 2024, respectively. The monthly payment for the printer equipment and phones is approximately \$687 and \$351, respectively.

Right-of-use assets consist of the following at June 30, 2023:

	Finance
Right-of Use Assets	\$ 47,547
Less: Accumulated Amortization	(13,836)
Total Right-of-Use Assets, Net	<u>\$ 33,711</u>

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 12 LEASES (CONTINUED)**

The following table provides quantitative information concerning the Organization's leases.

Lease Cost:

Finance Lease Cost:

Amortization of Right-of-Use Asset	\$ 9,509
Interest on Lease Obligation	2,313
Operating Lease Cost	143
Total Lease Cost	<u>\$ 11,965</u>

Other Information:

Cash Paid for Amounts Included in the

Measurement of Lease Liabilities:

Operating Cash Flows from Finance Leases	\$ 2,313
Financing Cash Flows from Finance Leases	\$ 10,151
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ -
Weighted-Average Remaining Financing Lease Term	3.5 Years
Weighted-Average Discount Rate - Finance Leases	5.75%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023 is as follows:

<u>Year Ending June 30,</u>	<u>Finance</u>
2024	\$ 11,058
2025	8,247
2026	8,247
2027	7,560
Undiscounted Cash Flows	<u>35,112</u>
Less: Imputed Interest	<u>(3,398)</u>
Total Present Value	<u>\$ 31,714</u>

**NOTE 13 OPERATING LEASE AGREEMENTS – ASC 840**

The Organization elected to apply the provisions of FASB ASC 842 to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization leased a copier machine under an operating lease. Total rent expense under this operating lease was approximately \$7,988 for the year ended June 30, 2022. The lease expired in August 2022, and there no future minimum commitments under this lease as of June 30, 2023.

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 14 FINANCE LEASE AGREEMENTS – ASC 840**

The Organization leases printer equipment and phones under finance leases. The total cost for the finance leases was approximately \$12,456 for the year ended J June 30, 2022. The future minimum commitments under these finance leases as of June 30, 2022 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 12,463
2024	11,058
2025	8,247
2026	8,247
2027	7,560
Less: Amount Representing Interest	(5,710)
Present Value of Net Minimum Lease Payments	<u>\$ 41,865</u>

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**CONSOLIDATING SCHEDULE OF STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

	Junior Achievement of Central Florida, Inc.	Junior Achievement of Central Florida Foundation, Inc.	Eliminations	Total
<b>REVENUES AND SUPPORT</b>				
Contributions:				
Corporate	\$ 444,500	\$ -	\$ -	\$ 444,500
Individual	219,708	-	-	219,708
Foundations	604,399	-	(65,000)	539,399
Total Contributions	<u>1,268,607</u>	<u>-</u>	<u>(65,000)</u>	<u>1,203,607</u>
Special Events	446,340	-	-	446,340
Dividends and Interest Income	14,053	35,662	-	49,715
In-Kind Contributions	495,857	-	-	495,857
Other Income	22,828	-	-	22,828
Total Revenues and Support	<u>2,247,685</u>	<u>35,662</u>	<u>(65,000)</u>	<u>2,218,347</u>
<b>EXPENSES</b>				
Program Expenses	1,763,427	65,000	(65,000)	1,763,427
Management and General	229,142	-	-	229,142
Fundraising Expenses	442,574	-	-	442,574
Cost of Direct Benefits to Donor	194,424	-	-	194,424
Total Expenses	<u>2,629,567</u>	<u>65,000</u>	<u>(65,000)</u>	<u>2,629,567</u>
<b>CHANGE IN NET ASSETS BEFORE INVESTMENT RETURN</b>	(381,882)	(29,338)	-	(411,220)
Investment Return, Net	<u>52,866</u>	<u>78,468</u>	<u>-</u>	<u>131,334</u>
<b>CHANGE IN NET ASSETS</b>	(329,016)	49,130	-	(279,886)
Net Assets - Beginning of Year	<u>1,692,600</u>	<u>1,278,768</u>	<u>-</u>	<u>2,971,368</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,363,584</u>	<u>\$ 1,327,898</u>	<u>\$ -</u>	<u>\$ 2,691,482</u>

**JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES**  
**ALTERNATIVE PRESENTATION OF CONSOLIDATING SCHEDULE OF STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total 2023	Total 2022
<b>PUBLIC SUPPORT AND REVENUES</b>				
Contributions:				
Corporate	\$ 364,857	\$ 79,643	\$ 444,500	\$ 442,044
Individual	219,708	-	219,708	150,751
Foundations	310,039	229,360	539,399	645,645
Total Contributions	894,604	309,003	1,203,607	1,238,440
Special Events Gross	382,340	64,000	446,340	299,458
Less: Special Event Expenses	(194,424)	-	(194,424)	(113,669)
Special Events Net	187,916	64,000	251,916	185,789
Governmental Revenue	-	-	-	58,408
Investment Return, Net	49,715	-	49,715	54,063
Unrealized Gains or Loss on Investments	117,983	-	117,983	(299,618)
Realized Gains or Loss	13,351	-	13,351	(2,143)
In-Kind Contributions	495,857	-	495,857	528,290
Other Income	22,828	-	22,828	146,112
Net Assets Released:				
Purpose Restrictions	282,351	(282,351)	-	-
Time Restrictions	355,932	(355,932)	-	-
Total Public Support and Revenues	2,420,537	(265,280)	2,155,257	1,909,341
<b>EXPENSES</b>				
Program Expense	1,763,427	-	1,763,427	1,326,099
Fund Raising Expense	442,574	-	442,574	358,749
Management and General Expense	229,142	-	229,142	195,158
Total Expenses	2,435,143	-	2,435,143	1,880,006
<b>CHANGE IN NET ASSETS</b>	(14,606)	(265,280)	(279,886)	29,335
Net Assets - Beginning of Year	1,297,734	1,673,634	2,971,368	2,942,033
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,283,128</u>	<u>\$ 1,408,354</u>	<u>\$ 2,691,482</u>	<u>\$ 2,971,368</u>