

Junior Achievement of Greater Fairfield County, Inc.

Financial Statements with Independent Auditor's Report

Years Ended June 30, 2023 and 2022

Junior Achievement of Greater Fairfield County, Inc.

Table of Contents

Page

Independent Auditor's Report 1

Financial Statements:

Statements of Financial Position at June 30, 2023 and 2022 3
Statement of Activities for the Year Ended June 30, 2023 4
Statement of Activities for the Year Ended June 30, 2022 5
Statements of Cash Flows for the Years Ended June 30, 2023 and 2022 6
Statement of Functional Expenses for the Year Ended June 30, 2023 7
Statement of Functional Expenses for the Year Ended June 30, 2022 8
Notes to Financial Statements 9

Independent Auditor's Report

To the Board of Directors of
Junior Achievement of Greater Fairfield County, Inc.

Opinion

We have audited the accompanying financial statements of Junior Achievement of Greater Fairfield County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of Greater Fairfield County, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Junior Achievement of Greater Fairfield County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Fairfield County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

123 South Main Street • Suite 140 • Newtown, CT 06470
Telephone (203) 426-8500 • www.ndswllp.com • Facsimile (203) 426-7174

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Junior Achievement of Greater Fairfield County, 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 Fairfield County, 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.

Other Matters

Change in Accounting Principle

As discussed in Note 2, during the year ended June 30, 2023, Junior Achievement of Greater Fairfield County, Inc. adopted Accounting Standards Update No. 2016- 02, *Leases (Topic 842).* Our opinion is not modified with respect to this matter.

Nanavaty, Davenport, Studley & White, LLP

November 9, 2023

Junior Achievement of Greater Fairfield County, Inc.

Statements of Financial Position

At June 30,

	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	$ 934,902	$ 1,010,146
Investments	118,376	110,279
Accounts receivable	245,425	242,011
Right-of-use asset	19,800	-
Prepaid expenses	200,647	176,542
Total Current Assets	1,519,150	1,538,978
Long-term Assets:		
Property and equipment, net	14,473	15,699
Right-of-use asset	86,250	-
Assets restricted for long-term investment	50,000	50,000
Total Long-term Assets	150,723	65,699
Total Assets	$ 1,669,873	$ 1,604,677
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 33,595	$ 50,519
Accrued expenses	132,500	137,596
Deferred revenue	303,125	357,938
Agency liabilities - due to JA company program	1,678	1,678
Lease liability	106,050	-
Total Liabilities	576,948	547,731
Net Assets:		
Net assets without donor restrictions	1,011,978	945,249
Net assets with donor restrictions	80,947	111,697
Total Net Assets	1,092,925	1,056,946
Total Liabilities and Net Assets	$ 1,669,873	$ 1,604,677

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

Junior Achievement of Greater Fairfield County, Inc.

Statement of Activities

For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions:			
Contributions from corporate donors	$ 118,211	$ -	$ 118,211
Contributions from individual donors	94,986	-	94,986
Contributions from foundations	538,221	-	538,221
Total Contributions	751,418	-	751,418
Special events revenue	827,218	-	827,218
Special events expense	(361,708)	-	(361,708)
Special Events , net	465,510	-	465,510
Governmental income	94,000	-	94,000
Investment return, net	18,320	-	18,320
In-kind contributions	4,663	-	4,663
Net assets released from restriction	30,750	(30,750)	-
Total Other Support	147,733	(30,750)	116,983
Total Revenue and Other Support	1,364,661	(30,750)	1,333,911
Expenses			
Program services	857,318	-	857,318
Management and general	252,234	-	252,234
Fund development	68,706	-	68,706
Total Program Expenses	1,178,258	-	1,178,258
National Support	119,674	-	119,674
Total Operating Expenses	1,297,932	-	1,297,932
Change in Net Assets	66,729	(30,750)	35,979
Net assets at beginning of year	945,249	111,697	1,056,946
Net assets at end of year	$ 1,011,978	$ 80,947	$ 1,092,925

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

Junior Achievement of Greater Fairfield County, Inc.

Statement of Activities

For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions:			
Contributions from corporate donors	$ 199,315	$ -	$ 199,315
Contributions from individual donors	91,943	4,000	95,943
Contributions from foundations	308,509	30,000	338,509
Total Contributions	599,767	34,000	633,767
Special events revenue	679,786	-	679,786
Special events expense	(263,501)	-	(263,501)
Special Events, net	416,285	-	416,285
Governmental income	100,000	-	100,000
Investment return, net	(503)	(91)	(594)
In-kind contributions	3,200	-	3,200
PPP loan foregiveness	144,570	-	144,570
Net assets released from restriction	53,500	(53,500)	-
Total Other Support	300,767	(53,591)	247,176
Total Revenue and Other Support	1,316,819	(19,591)	1,297,228
Expenses			
Program services	855,623	-	855,623
Management and general	165,052	-	165,052
Fund development	111,703	-	111,703
Total Program Expenses	1,132,378	-	1,132,378
National Support	152,190	-	152,190
Total Operating Expenses	1,284,568	-	1,284,568
Change in Net Assets	32,251	(19,591)	12,660
Net assets at beginning of year	912,998	131,288	1,044,286
Net assets at end of year	$ 945,249	$ 111,697	$ 1,056,946

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

Junior Achievement of Greater Fairfield County, Inc.

Statements of Cash Flows

For the Years Ended June 30,

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 35,979	$ 12,660
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	3,558	3,335
Changes in Operating Assets and Liabilities:		
Accounts receivable	(3,414)	(10,681)
Prepaid expenses	(24,105)	(101,174)
Agency asset/liability	-	(34)
Accounts payable	(16,924)	16,258
Accrued expenses	(5,096)	12,105
Deferred revenue	(54,813)	24,928
Net cash used in operating activities	(64,815)	(42,603)
Cash flows from investing activities:		
Sale (purchase) of investments, net	(8,097)	2,157
Purchase of fixed assets	(2,332)	(16,431)
Net cash used in investing activities	(10,429)	(14,274)
Cash flows from financing activities:		
Loan payable	-	(143,223)
Net cash (used in) provided by financing activities	-	(143,223)
Net Increase in cash and cash equivalents	(75,244)	(200,100)
Cash and cash equivalents - beginning of year	1,010,146	$ 1,210,246
Cash and cash equivalents - end of year	$ 934,902	$ 1,010,146

The accompanying notes are an integral part of these financial statements

Junior Achievement of Greater Fairfield County, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2023

	Program Services	Supporting Services: Management and General	Supporting Services: Fund Development	Total
Salaries	$ 595,074	$ 77,926	$ 35,421	$ 708,421
Payroll taxes	49,032	6,421	2,919	58,372
Employee benefits	42,972	2,813	2,364	48,149
Total Salaries and Related Benefits	687,078	87,160	40,704	814,942
Professional fees	63,725	124,790	13,183	201,698
Office supplies and other expenses	11,118	4,023	662	15,803
Outside services	24,510	6,114	3,162	33,786
Equipment maintenance and rental	3,601	793	214	4,608
Occupancy	16,128	2,112	960	19,200
Insurance	5,705	1,661	119	7,485
In-kind expenses	463	4,200	-	4,663
Telephone	2,108	4,144	634	6,886
Program materials	26,412	-	-	26,412
Scholarships, awards, and recognition	1,973	3,427	71	5,471
Other expenses	60	738	7,683	8,481
Conferences and meetings	3,764	9,375	261	13,400
Dues and subscriptions	877	40	18	935
Postage, delivery, and printing	2,320	288	56	2,664
Staff travel	4,487	2,978	801	8,266
Total Expenses before Depreciation	854,329	251,843	68,528	1,174,700
Depreciation	2,989	391	178	3,558
Total Functional Expenses	$ 857,318	$ 252,234	$ 68,706	$ 1,178,258

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

Junior Achievement of Greater Fairfield County, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2022

	Program Services	Supporting Services: Management and General	Supporting Services: Fund Development	Total
Salaries	$ 629,391	$ 82,468	$ 37,485	$ 749,344
Payroll taxes	46,522	6,092	2,769	55,383
Employee benefits	47,747	4,971	1,835	54,553
Total Salaries and Related Benefits	723,660	93,531	42,089	859,280
Professional fees	47,550	43,938	51,481	142,969
Office supplies and other expenses	12,819	4,036	768	17,623
Outside services	9,353	4,190	10,916	24,459
Equipment maintenance and rental	3,656	752	217	4,625
Occupancy	13,440	1,760	800	16,000
Insurance	4,980	1,732	150	6,862
In-kind expenses	2,688	352	160	3,200
Telephone	5,952	1,597	270	7,819
Program materials	15,111	20	-	15,131
Scholarships, awards, and recognition	1,627	1,929	444	4,000
Other expenses	-	431	4,095	4,526
Conferences and meetings	4,486	9,339	-	13,825
Dues and subscriptions	686	259	7	952
Postage, delivery, and printing	2,674	169	107	2,950
Staff travel	4,140	650	32	4,822
Total Expenses before Depreciation	852,822	164,685	111,536	1,129,043
Depreciation	2,801	367	167	3,335
Total Functional Expenses	$ 855,623	$ 165,052	$ 111,703	$ 1,132,378

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

Notes to Financial Statements

Note 1 - Organization

Junior Achievement of Greater Fairfield County, Inc. ("JAGFC"), is an affiliate of the national Junior Achievement, Inc., and is a nonprofit corporation organized for the purpose of inspiring and preparing young people with the knowledge and skills they need to succeed in a global economy. JAGFC envisions a world where young people have the skillset and mindset to build thriving communities. JA's programs, focused on work and career readiness, financial literacy, and entrepreneurship, use experiential learning to inspire kids to be successful.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting and Presentation - JAGFC prepares its financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of JAGFC are reported in the following net asset categories:

Net Assets Without Donor Restrictions - Net assets without restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors. Undesignated net assets represent the portion of expendable funds that are available for support of operations. Designated net assets represent reserves or special designations established by the Board of Directors.

Net Assets With Donor Restriction - net assets with donor restrictions are subject to the following donor-imposed stipulations: Some donor restrictions are temporary in nature or satisfied by the passage of time that either expire with the passage of time or can be fulfilled by the actions of JAGFC pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to without donor-restricted net assets. However, when restrictions on donor-restricted contributions are met in the same accounting period, such amounts are reported as part of net assets without donor restriction.

Revenue Recognition - JAGFC recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give -that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend are met.

A portion of the JAGFC's revenue is derived from grants which are conditioned upon certain performance obligations and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the JAGFC has incurred expenditures in compliance with grant provisions.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

Contributions - In accordance with financial accounting standards, JAGFC records contributions received as without donor restrictions or with donor restrictions depending on the existence and or nature of any donor restrictions. Restricted net assets are reclassified to net assets without donor restrictions upon the satisfaction of the time or purpose restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor, grantor or other outside party for particular operating purposes or for fixed asset acquisitions is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Donated Property and Services - Donated property and the use of equipment and facilities are recorded as support and expenses at fair market value when determinable, otherwise at values indicated by the donor. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

While many individuals volunteer their time and perform a variety of tasks that assist JAGFC, no amounts have been recognized in the accompanying financial statements for such services because the criteria for recognition of such volunteer efforts have not been met.

Cash and Cash Equivalents - Cash and cash equivalents consists of checking, savings, money market accounts and short-term investments with an original maturity of six months or less.

Accounts Receivable - JAGFC carries accounts receivable at cost and uses the specific write-off method for doubtful accounts. Experience and management's estimates indicate an allowance for such accounts is immaterial. On a periodic basis, JAGFC evaluates its accounts receivable to determine whether the balances are collectible. All accounts receivable are expected to be fully collected within one year.

Investment Valuation and Income Recognition - Investments in equity securities with readily determinable values and all investments in debt securities are reported at fair value with gains and losses included in the Statement of Activities. Realized gains and losses on sales of investments are computed using the specific identification method.

These investment securities and vehicles are exposed to numerous risks, including but not limited to interest rate fluctuation, market volatility and credit risks. Due to the level of risk associated with certain investments, changes in value of the investment portfolio could occur, which would materially affect the financial statements and future financial positions.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

Risks and Uncertainties - JAGFC invests in investment securities which may be exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk factors in the near term could materially affect the amounts reported in the statements of financial position and activities.

Property and Equipment - Property and equipment are carried at cost, if purchased, or at fair value at the date of gift, if donated. Assets are depreciated on a straight-line basis over their respective useful lives ranging from five to forty-five years. Acquisitions of property and equipment, other than collections whose cost is $5,000 or more, are capitalized as incurred. JAGFC reports gifts of long-lived assets as unrestricted support unless explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those donated assets must be maintained, the JAGFC reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Repairs and maintenance to existing facilities are charged as expenses as incurred.

Uses of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. JAGFC regularly assesses these estimates and, while actual results may differ from these estimates, management believes that material changes will not occur in the near term.

Income Tax Status - JAGFC is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has also ruled that it is not a private foundation. In accordance with ASC 740 "Accounting for Uncertainty in Tax Positions", JAGFC has evaluated its tax positions and determined that its positions are more-likely-than-not to be sustained on examination. JAGFC's information returns are subject to review and examination by federal authorities. Information returns for the years ended June 30, 2022, 2021 and 2020 are open for examination by federal authorities.

Concentration of Credit Risk - JAGFC maintains its cash and cash equivalent balances at various financial institutions. Concentrations of credit risk result primarily from cash on deposit at these financial institutions in excess of Federal Deposit Insurance Corporation ("FDIC") limits. At times during the year, cash and cash equivalent balances may be in excess of FDIC coverage.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

Cost Allocation - JAGFC allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification. Other costs have been allocated between the program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Occupancy	Square footage
Supplies, printing, postage	Usage
Contractual services	Usage
Depreciation	Square footage

New Accounting Standard - In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

JAGFC elected to adopt these ASUs effective July 1, 2023 and utilized all of the available practical expedients. JAGFC has also elected not to restate comparative periods in the adoption of the new standard. The adoption had a material impact on JAGFC's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of an ROU asset of $106,050 and a lease liability of $106,050 for it operating lease for office space. See Note 12 for a discussion of the lease activity under the new standard.

Subsequent Events - Management has evaluated subsequent events through November 9, 2023, which is the date the financial statements were available to be issued. There were no subsequent events that require disclosure

Note 3 - Investments

Fair Value Measurements - The Financial Accounting Standards Board ("FASB") Topic 820, under the FASB Accounting Standards Codification ("ASC") defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Notes to Financial Statements

Note 3 - Investments (continued)

Observable inputs are inputs that market participants would use in pricing the respective asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is categorized into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value ("NAV") per share, or its equivalent, that may be redeemed at NAV at the date of the statement of financial position or in the near dear, which the JAGFC has determined to be within 90 days.

Level 3 - Investments that have little to no pricing observability as of the report date. These investments are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by JAGFC. Junior Achievement of Greater Fairfield County, Inc considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to JAGFC's perceived risk of that instrument.

JAGFC's policy is to recognize transfers in and transfers out of levels at the end of the reporting period.

Note 3 - Investments (continued)
The following is a description of the valuation methodologies used for assets measured at fair value:

US Government Money Market Funds- These items are valued at the closing price reported in the active market in which the individual securities are traded. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Investments are comprised of the following funds for the years ended June 30:

	2023	2022
US Government Money Market Funds	$ 168,376	$ 162,276

Included in the above balance is $50,000 restricted for scholarships.

Investment return is comprised of the following for the years ended June 30,:

	2023	2022
Interest income	$ 15,018	$ 1,998
Realized and unrealized gain (loss)	3,302	(2,592)
Interest income	$ 18,320	$ (594)

Investments are managed in accordance with the JAGFC's board-approved investment and spending policies. The primary investment objective is to preserve and enhance the investment fund by earning a competitive return from a combination of investment income and capital appreciation without exposing the assets to undue long-term risk.

Note 4 - Property and Equipment

Property and equipment consisted of the following at June 30:

	2023	2022
Computers, furniture & fixtures	$ 81,613	$ 79,281
Less accumulated depreciation	(67,140)	(63,582)
Total Property and Equipment, net	$ 14,473	$ 15,699

Notes to Financial Statements

Note 5 - Net Assets

Net assets were comprised of the following at June 30,

	2023	2022
Without Donor Restrictions		
Funds available for current operations	$ 1,001,978	$ 935,249
Board designated reserve	10,000	10,000
	1,011,978	945,249
With Donor Restrictions		
Endowment funds restricted in perpetuity	55,370	55,370
Time and purpose restrictions:		
Scholarships	10,846	11,596
Education program	14,731	44,731
Total net assets with donor restrictions	80,947	111,697
Total net assets	$ 1,092,925	$ 1,056,946

Net assets released from restrictions and disbursed during the years ended June 30, were:

	2023	2022
Programs and projects	$ 30,750	$ 53,500

In 2011, the JAGFC received a $10,000 bequest; these assets have been designated as net assets without donor restrictions board-designated for capital reserves.

The investment income of the Raymond P. Lavietes Memorial Fund is primarily restricted for funding a scholarship in the memory of Raymond Lavietes to be awarded annually to a student or students in the Housatonic Valley area towns of Ansonia, Derby, Seymour or Shelton, Connecticut program who plan on attending a four-year college or university. Scholarships totaling $300 and $1,500 were awarded to qualified recipients during each of the years ended June 30, 2022 and 2021.

All income derived from the Dunbar Endowment Fund is expendable for general purposes.

Notes to Financial Statements

Note 6 - Endowment

JAGFC's endowment consists of several individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by accepted accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

JAGFC's board of directors has interpreted the Connecticut's Prudent Management of Institutional Funds Act ("CTPMIFA") 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, JAGFC classifies as permanently 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, if any, to the permanent endowment made in accordance with the direction of the applicable gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in the permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by JAGFC in a manner consistent with the standard of prudence prescribed by the CTPMIFA.

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

1). The duration and preservation of the fund,
2). The purposes of the JAGFC and the donor-restricted endowment fund,
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 JAGFC, and
7). General economic conditions

Notes to Financial Statements

Note 6 - Endowment (continued)

Endowment Net Asset – Endowment net assets composition by type of fund is as follows at June 30:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 10,000	$ -	$ 10,000
Donor-restricted endowment funds	-	55,370	55,370
Total	$ 10,000	$ 55,370	$ 65,370

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 10,000	$ -	$ 10,000
Donor-restricted endowment funds	-	55,370	55,370
Total	$ 10,000	$ 55,370	$ 65,370

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - July 1, 2021	$ 10,000	$ 55,370	$ 65,370
Investment income	-		-
Appropriation of assets for expenditure	-		-
Endowment net assets - June 30, 2022	10,000	55,370	65,370
Investment income	-	-	-
Appropriation of assets for expenditure	-	-	-
Endowment net assets - June 30, 2023	$ 10,000	$ 55,370	$ 65,370

Notes to Financial Statements

Note 7 - Special Events

JAGFC holds several major fundraising events a year: One student event (JA Inspire Virtual), two golf tournaments and a Peer to Peer online fundraiser. JAGFC also runs other miscellaneous annual and semi-annual events. Net revenues raised from all events held during 2023 and 2022 were $465,510 and $416,285, respectively.

Contributions raised through the events are directed to the general operations of JAGFC. All contributions are included in special event revenue in the Statements of Activities and Change in Net Assets.

Note 8 - Line of Credit

JAGFC entered into a loan agreement with a regional financial institution to make available a line of credit (the "Line") in a principal amount up to $100,000. There were no outstanding balances on the Line during the years ended June 30, 2023 and 2022.

Note 9 - Agency Assets and Agency Liabilities

JAGFC maintains a bank account on behalf of high school students participating in the Agency's JA Company Program. The students name a company, develop products, and sell them. Sales of the product are deposited in the account and expenses to purchase supplies are paid from the account. Any profit made is distributed at the discretion of the officers of the students created under the JA Company Programs. The balance in the account at June 30, 2023 and 2022 was $1,678 respectively.

Note 10 - Health and Welfare Benefits Trust and Postretirement Benefits Plan

Health and Welfare Benefits Trust

Junior Achievement USA (JA) has a self-funded medical, dental and other benefits plan covering full-time employees of JA and their beneficiaries and covered dependents. The plan is accounted for like a multi-employer plan. Premiums are paid into the Health and Welfare Plan for each participant by the participating employers. Employees of the JA, 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 JA. JA's premium expense for the Health and Welfare Plan for the years ended June 30, 2023 and 2022, was $31,211 and $29,390, respectively.

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 JA USA does not believe the implicit rate subsidy amount to be material to the JA USA, especially since the Plan is a multi-employer plan. Accordingly, no balances or transactions of Postretirement Benefits Plan are recorded in the financial statements of the JAGFC.

Note 11 - Profit-Sharing Plan

Starting on July 1, 2019, JA Worldwide, Inc. (the Organization) implemented a 401(k) multiple employer profit-sharing plan covering substantially all employees. JAGFC's contributions to the plan are determined annually by the Board of Directors. Contributions to the plan $16,938 and $25,163, for the years ended 2023 and 2022, respectively.

Note 12 – Lease Activity

JAGFC has an operating lease for office space in Bridgeport, Connecticut. The lease was renewed on July 1, 2023 and ends June 30, 2024. JAGFC has consistently renewed the lease annually. JAGFC elected to use the risk-free interest rate of 3.81%, which was in place at the time the lease agreement was executed. The following summarizes the line items in the statements of financial position which include amounts for the operating lease as of 2023:

Operating lease right-of-use asset	$ 106,050
Operating lease liability	$ 106,050

The maturities of the lease liability are as follows:

Year Ended June 30, 2024	$ 19,800
2025	19,800
2026	19,800
2027	19,800
2028	19,800
Thereafter	19,800
Total lease payments	118,800
Less: interest	(12,750)
Present value of lease liabilities	$ 106,050

The total rent expense for the years ended June 30, 2023 and 2022 was $19,200 and $16,000, respectively.

Note 13 - Related Party Transactions

During 2023 and 2022, the JAGFC engaged in various arm-length transactions with multiple board members. The board of directors is aware of these transactions and has determined no extraordinary benefit was received by members and no conflict of interest existed.

Note 14 - Franchise Arrangement (Unallocated Payments to National Association)

The JAGFC has a license fee structure agreement with Junior Achievement USA. The license fee is calculated using the JAGFC's gross revenue (revenue subject to license fee) with some exclusions of the previous year's audited financial statements.

The JAGFC pays license fees of 11.5% to the National Association on the first $1,000,000 of gross revenue and 9.5% on gross revenue above $1,000,000.

The license fee is payable in ten monthly installments from September through June of each fiscal year. The fee calculated above for 2023 is payable in fiscal year 2024-2025 (2022 fee payable in fiscal year 2023-2024).

Additionally, the JAGFC purchases most of its operating supplies from the National Organization and reimburses the National Organization for the cost of employee benefit insurance to the JAGFC's employees under group policies.

Note 15 - Liquidity and Availability of Resources

JAGFC's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2023	2022
Cash and cash equivalents	$ 934,902	$ 1,010,146
Pledges receivable	245,425	242,011
Short term investments	118,376	110,279
Total financial assets	1,298,703	1,362,436
Less amounts not available to be used within one year		
Net assets with donor and board restrictions	90,947	121,697
	90,947	121,697
Financial assets available to meet general expenditures over the next twelve months	$ 1,207,756	$ 1,240,739

Notes to Financial Statements

Note 15 - Liquidity and Availability of Resources (continued)

JAGFC maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of its liquidity plan excess cash is invested in short-term investments, including money market accounts. In addition to financial assets available to meet general expenditures over the next 12 months, JAGFC operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.