

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

JUNIOR ACHIEVEMENT
OF NEW JERSEY, INC.

June 30, 2024 and 2023



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November 25, 2024

Board of Directors
Junior Achievement of New Jersey, Inc.
Edison, New Jersey

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Junior Achievement of New Jersey, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of New Jersey, Inc. as of June 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 New Jersey, 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.

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 New Jersey, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government 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 New Jersey, 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 New Jersey, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Junior Achievement of New Jersey, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 1, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by the State of New Jersey, Department of Children and Families, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, on our consideration of Junior Achievement of New Jersey, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Junior Achievement of New Jersey, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Junior Achievement of New Jersey, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Hill, Barth & King LLC". The signature is written in a cursive, flowing style.

Certified Public Accountants

STATEMENTS OF FINANCIAL POSITION

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 662,923	\$ 834,273
Investments	517,313	435,345
Pledges receivable - current portion	714,975	551,577
Prepaid expenses and other current assets	35,788	65,035
Total Current Assets	<u>1,930,999</u>	<u>1,886,230</u>
Long-Term Assets		
Pledges receivable - net	65,238	204,700
Security deposits	770	770
Operating lease right-of-use asset	677,270	750,697
Finance lease right-of-use asset	72,810	91,803
Property and equipment – net	42,204	84,408
Total Long-Term Assets	<u>858,292</u>	<u>1,132,378</u>
Total Assets	<u>\$ 2,789,291</u>	<u>\$ 3,018,608</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 209,376	\$ 174,646
Operating lease liability - current portion	110,095	86,103
Finance lease liability - current portion	20,839	17,679
Note payable - current portion	-	18,750
Total Current Liabilities	<u>340,310</u>	<u>297,178</u>
Long-Term Liabilities		
Operating lease liability - less current portion	676,360	786,811
Finance lease liability - less current portion	53,571	74,409
Total Long-Term Liabilities	<u>729,931</u>	<u>861,220</u>
Total Liabilities	<u>1,070,241</u>	<u>1,158,398</u>
Net Assets		
Without donor restrictions	1,078,460	869,736
With donor restrictions	640,590	990,474
Total Net Assets	<u>1,719,050</u>	<u>1,860,210</u>
Total Liabilities and Net Assets	<u>\$ 2,789,291</u>	<u>\$ 3,018,608</u>

See accompanying notes to financial statements

STATEMENTS OF ACTIVITIES

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Contributions						
Corporate	\$ 1,851,291	\$ 177,000	\$ 2,028,291	\$ 1,424,423	\$ 701,500	\$ 2,125,923
Individual	230,779	-	230,779	216,224	-	216,224
Government grants	75,000	-	75,000	100,000	-	100,000
Total Contributions	2,157,070	177,000	2,334,070	1,740,647	701,500	2,442,147
Special event revenue	434,714	-	434,714	573,280	-	573,280
Investment return (net of expenses of \$5,342 and \$3,672, respectively)	44,108	-	44,108	36,702	-	36,702
Net assets released from restrictions	526,884	(526,884)	-	675,407	(675,407)	-
Total Revenues, Gains and Other Support	3,162,776	(349,884)	2,812,892	3,026,036	26,093	3,052,129
Expenses						
Program expenses	2,140,579	-	2,140,579	1,858,099	-	1,858,099
Management and general	377,285	-	377,285	270,871	-	270,871
Fundraising	436,188	-	436,188	498,451	-	498,451
Total Expenses	2,954,052	-	2,954,052	2,627,421	-	2,627,421
Changes in Net Assets	208,724	(349,884)	(141,160)	398,615	26,093	424,708
Net Assets – Beginning of Year	869,736	990,474	1,860,210	606,015	964,381	1,570,396
ASC 842 implmentation	-	-	-	(134,894)	-	(134,894)
Net Assets – End of Year	<u>\$ 1,078,460</u>	<u>\$ 640,590</u>	<u>\$ 1,719,050</u>	<u>\$ 869,736</u>	<u>\$ 990,474</u>	<u>\$ 1,860,210</u>

See accompanying notes to financial statements

STATEMENTS OF FUNCTIONAL EXPENSES

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Year Ended June 30, 2024

(With Summarized Comparative Totals for the Year Ended June 30, 2023)

	Program Services				Support Services				
	BizTown Expenses	Finance Park	General Program	Total Program Services	Management and General	Fundraising Expenses	Total Support Services	2024 Total	2023 Total
Personnel Costs									
Payroll	\$ 327,894	\$ 156,359	\$ 556,723	\$ 1,040,976	\$ 91,224	\$ 165,764	\$ 256,988	\$ 1,297,964	\$ 1,198,698
Employee benefits	48,128	22,950	81,715	152,793	13,390	24,331	37,721	190,514	190,746
Payroll tax	25,812	12,309	43,826	81,947	7,181	13,049	20,230	102,177	99,472
Total Personnel Costs	<u>401,834</u>	<u>191,618</u>	<u>682,264</u>	<u>1,275,716</u>	<u>111,795</u>	<u>203,144</u>	<u>314,939</u>	<u>1,590,655</u>	<u>1,488,916</u>
Non-Personnel Costs									
Advertising	10,328	4,925	17,536	32,789	2,873	5,222	8,095	40,884	29,785
Business insurance	8,902	6,840	12,652	28,394	299	543	842	29,236	48,653
Business-related travel costs	206	203	18,736	19,145	-	-	-	19,145	22,893
Conferences and meetings	3,942	1,880	6,694	12,516	1,097	1,993	3,090	15,606	15,334
Depreciation	10,662	5,084	18,102	33,848	2,966	5,390	8,356	42,204	42,204
Grants and other assistance	-	-	25,000	25,000	-	-	-	25,000	18,500
Information technology	8,450	-	-	8,450	-	-	-	8,450	5,688
Interest expense	1,307	623	2,218	4,148	363	661	1,024	5,172	592
License fees to JA USA	-	-	-	-	228,893	-	228,893	228,893	174,918
Merchant fees	5,405	2,578	9,177	17,160	1,504	2,733	4,237	21,397	16,566
Miscellaneous	4,078	1,945	6,923	12,946	1,135	2,061	3,196	16,142	19,789
Occupancy	136,869	56,323	86,674	279,866	14,202	25,807	40,009	319,875	298,667
Office expenses	7,640	3,643	12,972	24,255	2,126	3,862	5,988	30,243	22,808
Professional fees	36,059	17,195	61,224	114,478	10,032	18,229	28,261	142,739	108,074
Program direct costs	38,573	28,668	63,100	130,341	-	-	-	130,341	90,376
Program materials	-	-	121,527	121,527	-	-	-	121,527	104,016
Special event expense	-	-	-	-	-	166,543	166,543	166,543	119,642
Total Non-Personnel Costs	<u>272,421</u>	<u>129,907</u>	<u>462,535</u>	<u>864,863</u>	<u>265,490</u>	<u>233,044</u>	<u>498,534</u>	<u>1,363,397</u>	<u>1,138,505</u>
	674,255	321,525	1,144,799	2,140,579	377,285	436,188	813,473	2,954,052	2,627,421
Investment expenses	-	-	-	-	5,342	-	-	5,342	3,672
Total Functional Expenses	<u>\$ 674,255</u>	<u>\$ 321,525</u>	<u>\$ 1,144,799</u>	<u>\$ 2,140,579</u>	<u>\$ 382,627</u>	<u>\$ 436,188</u>	<u>\$ 813,473</u>	<u>\$ 2,959,394</u>	<u>\$ 2,631,093</u>

See accompanying notes to financial statements

STATEMENTS OF CASH FLOWS

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ (141,160)	\$ 424,708
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	42,204	42,204
Realized and unrealized (gain) loss in investments	(81,968)	5,887
Amortization of right-of-use assets	92,420	74,124
(Increase) decrease in:		
Pledges receivable - net of discount	(23,936)	(470,979)
Prepaid expenses and other current assets	29,247	(48,274)
Increase (decrease) in:		
Accounts payable and accrued expenses	34,730	31,803
Operating lease liability	<u>(86,459)</u>	<u>(83,636)</u>
Net Cash Used In Operating Activities	<u>(134,922)</u>	<u>(24,163)</u>
Cash Flows from Investing Activities		
Proceeds from sale of investments	-	162,055
Purchases of investments	<u>-</u>	<u>(187,496)</u>
Net Cash Used In Investing Activities	<u>-</u>	<u>(25,441)</u>
Cash Flows from Financing Activities		
Payments on note payable	(18,750)	(25,000)
Principal payments on finance lease	<u>(17,678)</u>	<u>(2,882)</u>
Net Cash Used in Financing Activities	<u>(36,428)</u>	<u>(27,882)</u>
Decrease in Cash and Cash Equivalents	(171,350)	(77,486)
Cash and Cash Equivalents – Beginning of Year	<u>834,273</u>	<u>911,759</u>
Cash and Cash Equivalents – End of Year	\$ <u><u>662,923</u></u>	\$ <u><u>834,273</u></u>
Noncash Investing and Financing Activities		
Right-of use assets acquired under operating lease	\$ <u><u>-</u></u>	\$ <u><u>821,656</u></u>
Right-of-use assets acquired under finance lease	\$ <u><u>-</u></u>	\$ <u><u>94,969</u></u>
Supplementary Information		
Interest paid	\$ <u><u>5,172</u></u>	\$ <u><u>592</u></u>

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 1 - Organization and Nature of Activities

Junior Achievement of New Jersey, Inc. [the "Organization"] is an affiliate of Junior Achievement USA ["JAUSA"], an economic education provider/business education partnership serving New Jersey. A license fee is paid to JAUSA on contributions received and net special event revenue generated annually.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

Financial statement presentation follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors. This includes restricted support and related expenditures when restrictions have been met in the same period as the support was received.

Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Allowance for Uncollectible Promises

An allowance for uncollectible promises of \$13,365 and \$1,868 is included in the statements of financial position for the years ended June 30, 2024 and 2023, respectively. The potential risk is limited to the amounts recorded in the financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Investments

Investments are valued at fair value determined by quoted market prices in an active market.

Revenue Recognition

Contributions and grants are available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. Revenue from programs and special events is recognized at a point in time when the program or event occurs.

Concentration of Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments. The Organization places its cash and investments with quality financial institutions. The balances at the financial institutions are insured by the Federal Insurance Corporation "FDIC" up to \$250,000. As of June 30, 2024 and 2023, the Organization had cash which exceeded FDIC limits by \$158,878 and \$171,766, respectively.

All of the Organization's investments are subject to credit risk.

For the year ended June 30, 2024, Career Readiness contributions accounted for 38% of revenue and BizTown contributions accounted for 12% of revenue. For the year ended June 30, 2023, Finance Park accounted for more than 11% of total revenue.

For the year ended June 30, 2024, three contributors accounted for 55% of pledges receivable. For the year ended June 30, 2023, one contributor accounted for 46% of pledges receivable.

For the year ended June 30, 2024, two vendors accounted for 63% of accounts payable.

Property and Equipment and Depreciation

Property and equipment are recorded at cost when purchased and fair value when donated. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. The estimated lives by asset class follows:

Office Furniture	10 years
Office Equipment	5 years
Computer Hardware	3 years

Long-Lived Assets

Long-lived tangible assets subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceed their fair value as determined by an estimate of undiscounted future cash flow.

Losses on assets held for disposal are recognized when management has approved and committed to a plan to dispose of the assets, and the assets are available for disposal.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Donated Services

A significant amount of the Organization's functions are conducted by unpaid volunteer officers and committees. The value of this contributed time is not reflected in the accompanying financial statements because it is not susceptible to objective measurement or valuation.

Tax Ruling Status

The Organization is exempt from federal income taxes under section 501(c) 3 of the Internal Revenue Code.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, the statements of functional expenses classify direct costs and supporting benefits by program. In addition, certain costs are allocated among the programs by their respective pro-rata share of total direct costs prior to allocation. The license fee is reported as a management and general expense.

The expenses that are allocated include the following:

Direct classification of expenses by program:

BizTown expenses
Finance Park expenses
General program expenses

Expenses allocated based on time and effort:

Compensation and benefits
Administrative expenses
Occupancy expenses

Leases

The Organization determines if an arrangement is a lease at inception. A contract contains a lease if it conveys the right to control the use of an identified assets for a period of time in exchange for consideration. This assessment is performed at the inception of each contract that may contain a lease. Operating and finance leases are included as right-of-use (ROU) assets and lease liabilities on the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent their obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating and finance lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Lease payment for finance leases are apportioned between the principal and interest components. The interest expense is recognized over the lease term based on the carrying amount of the lease liability.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Leases (Continued)

For certain leases, such as office space, the Organization accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components are typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance, utilities, and real estate taxes that are passed on from the lessor in proportion to the space leased, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

The Organization has elected to apply the short-term lease exemption to all classes of underlying assets.

Reclassification

Certain 2023 items have been reclassified to conform to the 2024 presentation. Such reclassifications had no effect on the current year activities.

Note 3 - Liquidity and Availability

The Organization's goal is generally to maintain financial assets to meet thirty days of operating expenses (approximately \$240,000). As part of its liquidity plan, excess cash is invested in marketable securities. These securities are considered long-term but are available if the need arises. The Organization has a total of \$225,000 in credit available to meet cash flow needs.

The following represents the financial assets at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 662,923	\$ 834,273
Investments	517,313	435,345
Receivables - net	<u>780,213</u>	<u>756,277</u>
Total financial assets:	1,960,449	2,025,895
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>640,590</u>	<u>990,474</u>
Financial assets available to meet general expenditures over the next twelve months:	\$ <u>1,319,859</u>	\$ <u>1,035,421</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 4 - Pledges Receivable

The Organization received unconditional promises to give with payments due in future periods. Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows utilizing a 6% discount rate.

	<u>2024</u>	<u>2023</u>
Program restricted pledges receivable	\$ 824,310	\$ 814,670
Less unamortized discount	<u>30,732</u>	<u>56,525</u>
	793,578	758,145
Less allowance for uncollectible promises	<u>13,365</u>	<u>1,868</u>
Net unconditional promises to give	\$ <u>780,213</u>	\$ <u>756,277</u>
Amounts due in:		
Less than one year	\$ 749,310	\$ 584,670
One to five years	<u>75,000</u>	<u>230,000</u>
Totals	\$ <u>824,310</u>	\$ <u>814,670</u>

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Furniture	\$ 18,713	\$ 18,713
Leasehold improvement	33,051	33,051
Equipment	196,592	196,592
Mobile unit	<u>285,205</u>	<u>285,205</u>
	533,561	533,561
Less accumulated depreciation	<u>491,357</u>	<u>449,153</u>
Net	\$ <u>42,204</u>	\$ <u>84,408</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$42,204.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 6 - Investments

Investments consist of the following at June 30, 2024 and 2023:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Equity securities	\$ 135,019	\$ 206,812	\$ 111,371	\$ 161,977
Certificates of deposit	75,000	74,876	75,000	74,580
Treasury bonds	175,758	177,264	29,463	24,953
Corporate bonds	<u>65,000</u>	<u>58,361</u>	<u>50,000</u>	<u>173,835</u>
Totals	\$ <u>450,777</u>	\$ <u>517,313</u>	\$ <u>265,834</u>	\$ <u>435,345</u>

Note 7 - Fair Value Measurements

For financial assets and liabilities measured at fair value on a recurring basis, fair value is the price the Organization would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while observable inputs reflect our market assumptions. Preference is given to observable inputs. These three types of inputs create the following fair value hierarchy:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement dates.

Level 2 - unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 - unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 7 - Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2024 and 2023.

		<u>Fair Value Measurements at Reporting Date Using</u>		
	June 30, 2024	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Equity securities	\$ 206,812	\$ 206,812	\$ -	\$ -
Certificates of deposit	74,876	-	74,876	-
Treasury bonds	177,264	177,264	-	-
Corporate bonds	58,361	-	58,361	-
Total assets	\$ <u>517,313</u>	\$ <u>384,076</u>	\$ <u>133,237</u>	\$ <u>-</u>

		<u>Fair Value Measurements at Reporting Date Using</u>		
	June 30, 2023	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Equity securities	\$ 161,977	\$ 161,977	\$ -	\$ -
Certificates of deposit	74,580	-	74,580	-
Treasury bonds	24,953	24,953.00	-	-
Corporate bonds	173,835	-	173,835	-
Total assets	\$ <u>435,345</u>	\$ <u>186,930</u>	\$ <u>248,415</u>	\$ <u>-</u>

Maturity dates for the bonds held at June 30, 2024 range from 2024 to 2028. The fair value of maturities of the bonds are as follows:

Due in one year or less	\$ 185,995
Due in one to five years	<u>49,630</u>
Total	\$ <u>235,625</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 8 - Net Assets With Donor Restrictions

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

	<u>2024</u>		<u>2023</u>
BizTown and Finance Park	\$ 350,000	\$	533,680
NJ Business Hall of Fame	50,000		104,000
Education Center Improvement	67,204		134,408
Scholar Award	<u>173,386</u>		<u>218,386</u>
Totals	\$ <u>640,590</u>	\$	<u>990,474</u>

Net assets released from net assets with donor restrictions at June 30:

	<u>2024</u>		<u>2023</u>
BizTown and Finance Park	\$ 310,680	\$	388,703
NJ Business Hall of Fame	104,000		72,000
Education Center Improvement	67,204		-
Scholar Award	<u>45,000</u>		<u>214,704</u>
Totals	\$ <u>526,884</u>	\$	<u>675,407</u>

Note 9 - Credit Lines Payable

The Organization has credit available through lines of credit as follows:

	<u>Total Credit Available</u>		<u>Total Payable in 2024</u>		<u>Total Payable in 2023</u>
TD Bank, N.A.					
Due on demand, interest is 9.54% at June 30, 2024 and 2023. Maturity date is December 31, 2049. Secured by all assets of the Organization.	\$ 150,000	\$	-	\$	-
Wells Fargo					
Unsecured business line account credit card, interest is 18.50% and 14.75% at June 30, 2024 and 2023, respectively.	<u>75,000</u>		<u>-</u>		<u>-</u>
Total	\$ <u>225,000</u>	\$	<u>-</u>	\$	<u>-</u>

Interest expense related to the lines of credit for the years ended June 30, 2024 and 2023 was \$0.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 10 - Note Payable

On August 20, 2020, the Organization executed a promissory note payable to the Achievement Foundation, Inc. in the amount of \$75,000. The note is non-interest bearing and was due March 31, 2024. The note was fully paid as of June 30, 2024.

Note 11 - Related Party Transactions

The Organization provides medical benefits to qualified employees under a plan maintained by JAUSA. Contributions to the plan for the years ended June 30, 2024 and 2023 were \$156,418 and \$160,136, respectively.

The Organization pays JAUSA a license fee based upon certain revenue collected during the year. During the years ended June 30, 2024 and 2023, license fees incurred were \$228,893 and \$174,918, respectively.

JAUSA provides various program materials to local units. During the years ended June 30, 2024 and 2023, materials purchased were \$121,527 and \$104,016, respectively.

Note 12 - Commitments and Contingencies

Operating Lease:

In December 2015, the Organization entered into a lease for a facility in Edison, New Jersey. The lease expires May 2032. The operating lease calls for monthly periodic payments of \$9,175. For the years ended June 30, 2024 and 2023, the weighted average remaining lease term is 7.84 and 8.84 years, respectively and the weighted average discount rate is 2.91%.

The tables below summarize the balances of both the operating right-of-use asset and related operating lease liability at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Right-of-use asset - operating	\$ 750,697	\$ 821,656
Accumulated amortization	<u>(73,427)</u>	<u>(70,959)</u>
Net right-of-use asset - operating	<u>\$ 677,270</u>	<u>\$ 750,697</u>
	<u>2024</u>	<u>2023</u>
Operating lease liability - beginning	\$ 872,914	\$ 956,550
Rents paid	(110,095)	(110,095)
Accretion of lease liability	<u>23,636</u>	<u>26,459</u>
Operating lease liability - ending	<u>\$ 786,455</u>	<u>\$ 872,914</u>

Amortization expense of the right-of-use asset for the years ended June 30, 2024 and 2023 was \$73,427 and \$70,959, respectively. For the years ended June 30, 2024 and 2023, interest expense related to the operating lease was \$23,636 and \$26,459, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 12 - Lease Commitments (Continued)

The future maturities of the operating lease is as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 110,095
2026	110,095
2027	110,095
2028	110,095
2029	110,095
Thereafter	330,285
	<u>880,760</u>
Less amount representing interest	<u>94,305</u>
Total	<u><u>\$ 786,455</u></u>

Finance Lease:

The Organization entered into a lease for technology equipment. The lease expires April 2028. The finance lease calls for monthly periodic payments of \$3,537. For the years ended June 30, 2024 and 2023, the weighted average remaining lease term is 3.76 and 4.76 years, respectively and the weighted average discount rate for the finance lease is 3.84%.

The tables below summarize the balances of both the finance right-of-use asset and related finance lease liability at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Right-of-use asset - finance	\$ 91,803	\$ 94,969
Accumulated amortization	<u>(18,993)</u>	<u>(3,166)</u>
Net right-of-use asset - finance	<u><u>\$ 72,810</u></u>	<u><u>\$ 91,803</u></u>
	<u>2024</u>	<u>2023</u>
Finance lease liability - beginning	\$ 92,088	\$ 94,969
Lease principal payments	(20,839)	(3,473)
Interest expensed on finance leases	<u>3,161</u>	<u>592</u>
Finance lease liability - ending	<u><u>\$ 74,410</u></u>	<u><u>\$ 92,088</u></u>

Amortization expense of the finance right-of-use asset for the years ended June 30, 2024 and 2023 were \$18,993 and \$3,166, respectively. Interest expense related to the finance lease for the years ended June 30, 2024 and 2023 were \$3,161 and \$592, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 12 - Lease Commitments (Continued)

Finance Lease:

The future maturities of the finance lease are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 20,839
2026	20,839
2027	20,839
2028	17,366
	<u>79,883</u>
Less amount representing interest	<u>5,473</u>
Total	<u>\$ 74,410</u>

Note 13 - Health and Welfare Benefits Trust and Postretirement Benefits

Health and Welfare Benefits Trust

The Organization has a self-funded medical, dental and other benefits plan covering full-time employees of the Organization and their beneficiaries and covered dependents. The plan is accounted for like a multi-employer plan. Premiums are paid into the Health and Welfare Plan for each participant by the participating employers. Employees of the Organization, JA Worldwide, Inc. and employees of Junior Achievement Areas in the United States can participate in the Health and Welfare Plan. All the assets and liabilities of the Health and Welfare Plan are held in the Junior Achievement USA Health and Welfare Benefits Trust (Benefits Trust). Accordingly, no balances or transactions of the Benefits Trust are recorded in the financial statements of the Organization. The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2024 and 2023, was \$156,418 and \$160,136, 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 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 financial statements of the Organization.

Note 14 - Profit-Sharing Plan

The Organization offers a 401(k) multiple employer profit-sharing plan covering substantially all employees. The Organization's contributions to the Plan are determined annually by the Board of Directors. Contributions to the plan were \$34,095 and \$30,610 for the years ended June 30, 2024 and 2023, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

June 30, 2024 and 2023

Note 15 - Litigation

The Organization is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material effect on the financial condition or results of operations of the Organization.

Note 16 - Subsequent Events

Management evaluated all activity of the Organization through November 25, 2024, the date which the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Year Ended June 30, 2024

<u>State Grantor/Program Title</u>	<u>Award Number</u>	<u>Award Period</u>	<u>Award Amount</u>	<u>Expenditures</u>	<u>Cumulative Expenditures</u>
State of New Jersey Department of Children and Families					
Office of Resilience					
Community Innovation Microgrant	N/A	2/1/2023 - 2/1/2024	\$ 100,000	\$ 60,000	\$ 100,000
Community Innovation Microgrant	N/A	10/1/2023 - 3/1/2024	75,000	<u>75,000</u>	<u>75,000</u>
				<u>\$ 135,000</u>	<u>\$ 175,000</u>

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Year Ended June 30, 2024

Note 1 - General Information

The accompanying schedule of expenditures of state financial assistance (the schedule) presents the activities in all the state financial programs of Junior Achievement of New Jersey, Inc. All financial assistance received directly from state agencies, as well as financial assistance passed through other governmental agencies or non-profit organizations, is included on the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of state financial assistance is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of New Jersey OMB Circular 15-08-OMB *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, as required by the State of New Jersey, Department of Children and Families. Therefore, certain types of expenditures are not allowed or are limited as to reimbursement. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to federal and state funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting. Junior Achievement of New Jersey, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Relationship to Basic Financial Statements

State financial assistance expenditures are reported as program expenses and management and general costs in the statement of functional expenses. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the schedule of expenditures of state financial assistance due to program expenditures exceeding grant or contract budget limitations, agency matching or in-kind contributions which are not included as state financial assistance or capitalization policies required under accounting principles generally accepted in the United States of America.

Note 4 - Subrecipients

There were no subrecipients during the fiscal year 2024.

November 25, 2024

Board of Trustees
Junior Achievement of New Jersey, Inc.
Edison, New Jersey

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Junior Achievement of New Jersey, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Junior Achievement of New Jersey, Inc.'s control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Junior Achievement of New Jersey, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Junior Achievement of New Jersey, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Junior Achievement of New Jersey, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Junior Achievement of New Jersey, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Junior Achievement of New Jersey, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Hill, Barth & King LLC". The script is cursive and fluid.

Certified Public Accountants