**JUNIOR ACHIEVEMENT OF ARIZONA, INC.
AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

JUNIOR ACHIEVEMENT OF ARIZONA, INC. AND AFFILIATE
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Junior Achievement of Arizona, Inc. and Affiliate
Phoenix, Arizona

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Junior Achievement of Arizona, Inc. and Affiliate (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 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 financial position of Junior Achievement of Arizona, Inc. and Affiliate as of June 30, 2024 and 2023, and the changes in their net assets and their 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Junior Achievement of Arizona, Inc. and Affiliate 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 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 Arizona, Inc. and Affiliate'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 Arizona, Inc. and Affiliate'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 Arizona, Inc. and Affiliate'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
October 31, 2024

JUNIOR ACHIEVEMENT OF ARIZONA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,270,573	$ 939,458
Investments	6,607,525	5,126,311
Pledges Receivable, Net	1,202,625	2,241,729
Other Receivables	15,923	18,133
Prepaid Assets	175,853	95,216
In-Kind Inventories	38,882	6,850
Total Current Assets	9,311,381	8,427,697
OTHER ASSETS		
Investments in Endowments	544,787	493,421
Pledges Receivable, Net of Current Portion	505,633	615,661
Other Long-Term Assets	38,381	36,942
Fixed Assets, Net	2,145,097	2,284,207
Total Other Assets	3,233,898	3,430,231
Total Assets	$ 12,545,279	$ 11,857,928
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 34,245	$ 77,302
Accrued Liabilities	438,359	351,368
Lease Liability - Financing, Current Portion	8,953	4,734
Loans Payable, Current Portion	-	7,500
Total Current Liabilities	481,557	440,904
NONCURRENT LIABILITIES		
Lease Liability - Financing, Net of Current Portion	32,292	41,245
Total Noncurrent Liabilities	32,292	41,245
Total Liabilities	513,849	482,149
NET ASSETS		
Without Donor Restrictions	9,607,189	8,987,496
With Donor Restrictions	2,424,241	2,388,283
Total Net Assets	12,031,430	11,375,779
Total Liabilities and Net Assets	$ 12,545,279	$ 11,857,928

See accompanying Notes to Consolidated Financial Statements.

JUNIOR ACHIEVEMENT OF ARIZONA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT			
Contributions:			
Corporate	$ 1,103,379	$ 655,642	$ 1,759,021
Individual	635,457	112,635	748,092
Foundations	573,500	450,000	1,023,500
Total Contributions	2,312,336	1,218,277	3,530,613
Special Events	911,668	66,283	977,951
Less Direct Costs of Benefit Donors	(153,966)	-	(153,966)
Special Events, Net	757,702	66,283	823,985
Gains, Losses, and Other Support:			
Donated Items, Goods, and Services	223,587	-	223,587
Public Sector Funding	1,248,739	-	1,248,739
Other Income	385,370	16,197	401,567
Realized Gain on Investments	105,095	25,816	130,911
Unrealized Gain on Investments	212,285	18,654	230,939
Net Assets Released from Restrictions	1,309,269	(1,309,269)	-
Total Gains, Losses and Other Support	3,484,345	(1,248,602)	2,235,743
Total Revenues, Gains, Losses and Other Support	6,554,383	35,958	6,590,341
EXPENSES			
Program Services	4,446,641	-	4,446,641
Fundraising:			
Cost of Soliciting Volunteers	2,764	-	2,764
Cost of Soliciting Contributions	955,356	-	955,356
Total Fundraising	958,120	-	958,120
Management and General	529,929	-	529,929
Total Expenses	5,934,690	-	5,934,690
CHANGE IN NET ASSETS	619,693	35,958	655,651
Net Assets - Beginning of Year	8,987,496	2,388,283	11,375,779
NET ASSETS - END OF YEAR	$ 9,607,189	$ 2,424,241	$ 12,031,430

See accompanying Notes to Consolidated Financial Statements.

JUNIOR ACHIEVEMENT OF ARIZONA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT			
Contributions:			
Corporate	$ 1,404,085	$ 1,137,110	$ 2,541,195
Individual	458,998	165,167	624,165
Foundations	127,887	5,000	132,887
Total Contributions	1,990,970	1,307,277	3,298,247
Special Events	985,527	90,889	1,076,416
Less Direct Costs of Benefit Donors	(144,405)	-	(144,405)
Special Events, Net	841,122	90,889	932,011
Gains, Losses, and Other Support:			
Donated Items, Goods, and Services	217,017	-	217,017
Public Sector Funding	2,388,413	-	2,388,413
Other Income	243,199	13,222	256,421
Realized Gain (Loss) on Investments	16,896	(33,478)	(16,582)
Unrealized Gain on Investments	144,658	61,719	206,377
Net Assets Released from Restrictions	1,326,092	(1,326,092)	-
Total Gains, Losses and Other Support	4,336,275	(1,284,629)	3,051,646
Total Revenues, Gains, Losses and Other Support	7,168,367	113,537	7,281,904
EXPENSES			
Program Services	3,568,834	-	3,568,834
Fundraising:			
Cost of Soliciting Volunteers	7,354	-	7,354
Cost of Soliciting Contributions	1,315,907	-	1,315,907
Total Fundraising	1,323,261	-	1,323,261
Management and General	516,183	-	516,183
Total Expenses	5,408,278	-	5,408,278
CHANGE IN NET ASSETS	1,760,089	113,537	1,873,626
Net Assets - Beginning of Year	7,227,407	2,274,746	9,502,153
NET ASSETS - END OF YEAR	$ 8,987,496	$ 2,388,283	$ 11,375,779

See accompanying Notes to Consolidated Financial Statements.

JUNIOR ACHIEVEMENT OF ARIZONA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

		Support Services			
	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries and Benefits	$ 2,790,137	$ 359,491	$ 594,754	$ 954,245	$ 3,744,382
Office and Occupancy	403,491	112,573	60,478	173,051	576,542
Travel, Meetings, and Conferences	64,883	12,513	11,282	23,795	88,678
Program Delivery and Development	620,026	24	515	539	620,565
Outside Services	288,971	35,584	91,493	127,077	416,048
Depreciation	184,177	8,650	8,186	16,836	201,013
Donated Goods and Services	94,956	1,094	18,203	19,297	114,253
Fundraising Events	-	-	173,209	173,209	173,209
Direct Costs of Donor Benefits	-	-	153,966	153,966	153,966
Total	4,446,641	529,929	1,112,086	1,642,015	6,088,656
Less: Expenses Netted Against Revenues on the Consolidated Statement of Activities:					
Direct Costs of Benefit Donors	-	-	(153,966)	(153,966)	(153,966)
Total Expenses by Function	$ 4,446,641	$ 529,929	$ 958,120	$ 1,488,049	$ 5,934,690

See accompanying Notes to Consolidated Financial Statements.

JUNIOR ACHIEVEMENT OF ARIZONA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

		Support Services			
	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries and Benefits	$ 2,188,991	$ 344,648	$ 849,115	$ 1,193,763	$ 3,382,754
Office and Occupancy	305,843	116,177	88,384	204,561	510,404
Travel, Meetings, and Conferences	55,824	8,280	31,030	39,310	95,134
Program Delivery and Development	481,653	41	1,923	1,964	483,617
Outside Services	235,368	33,274	106,900	140,174	375,542
Depreciation	147,105	12,417	8,090	20,507	167,612
Donated Goods and Services	154,050	1,346	57,771	59,117	213,167
Fundraising Events	-	-	180,048	180,048	180,048
Direct Costs of Donor Benefits	-	-	144,405	144,405	144,405
Total	3,568,834	516,183	1,467,666	1,983,849	5,552,683
Less: Expenses Netted Against Revenues on the Consolidated Statement of Activities:					
Direct Costs of Benefit Donors	-	-	(144,405)	(144,405)	(144,405)
Total Expenses by Function	$ 3,568,834	$ 516,183	$ 1,323,261	$ 1,839,444	$ 5,408,278

See accompanying Notes to Consolidated Financial Statements.

JUNIOR ACHIEVEMENT OF ARIZONA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 655,651	$ 1,873,626
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	201,013	167,612
Contributions Restricted for Long-Term Investment	(4,000)	(167)
Net Realized and Unrealized (Gains) on Investments	(361,850)	(189,795)
Provision for Uncollectible Pledges Receivable	1,800	18,700
Change in Discount on Pledges Receivable	(35,673)	70,064
Donated Fixed Assets	(32,845)	-
Donated Inventory	(32,032)	-
Donated Prepaid Assets	(45,030)	-
(Increase) Decrease in Assets:		
Pledges Receivable	1,183,005	(824,208)
Other Receivables	2,210	(9,256)
Prepaid Assets	(35,607)	(1,109)
In-Kind Inventory	-	(3,850)
Other Long-Term Assets	(1,439)	(1,388)
Increase (Decrease) in Liabilities:		
Accounts Payable	(43,057)	6,933
Accrued Liabilities	86,991	(34,457)
Net Cash Provided by Operating Activities	1,539,137	1,072,705
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(29,058)	(186,323)
Purchases of Investments	(3,937,419)	(5,419,949)
Sales of Investments	2,766,689	3,457,937
Net Cash Used by Investing Activities	(1,199,788)	(2,148,335)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Received for Long-Term Investment	4,000	167
Payments on Loans Payable	(7,500)	(10,000)
Repayments of Obligations Under Capital Leases	-	(19,745)
Repayments of Obligations Under Financing Leases	(4,734)	(1,361)
Net Cash Used by Financing Activities	(8,234)	(30,939)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	331,115	(1,106,569)
Cash and Cash Equivalents - Beginning of Year	939,458	2,046,027
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,270,573	$ 939,458
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 28,438	$ 12,466
Donated Fixed Assets	$ 32,845	$ -
Donated Inventory	$ 32,032	$ -
Donated Prepaid Assets	$ 45,030	$ -
Acquistion of Fixed Assets through Financing Lease	$ -	$ 47,340

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

These consolidated financial statements include the accounts of Junior Achievement of Arizona, Inc. (Junior Achievement), and the Foundation for Junior Achievement of Arizona, Inc. (the Foundation). These entities (collectively, the Organization) are under common management and control. All material inter-affiliate accounts and transactions have been eliminated in these consolidated financial statements.

These consolidated financial statements do not include the Junior Achievement Endowment Fund, which is an endowment set up for the benefit of Junior Achievement at the Arizona Community Foundation. Although, as beneficiary, Junior Achievement is entitled to receive the income from the endowment and the income is to be used solely for the Organization's programs, the trustees of the endowment, Arizona Community Foundation, have variance power in determining the beneficiary. Because of that power, the endowment does not meet the requirements for recording in the Organization's consolidated financial statements under Financial Accounting Standards Board Codification (FASC) 958-20, *Not-for-Profit, and Financially Interrelated Entities*.

Junior Achievement of Arizona has been educating K-12 students about entrepreneurship, work readiness, and financial literacy since 1957, and has offices in Tempe and Tucson.

Basis of Consolidated Financial Statements

The Organization's consolidated financial statements are prepared using the accrual basis of accounting. Accordingly, all revenues are recognized when earned, and all expenses are recognized when incurred.

Management Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses. Management is of the opinion that the estimates used in these consolidated financial statements are materially correct, however, actual results may differ.

Fair Value of Financial Instruments

The Organization uses fair value measurements to record certain assets and liabilities included in these consolidated financial statements. Accounting principles generally accepted in the United States of America establish a hierarchy that prioritizes inputs used in measuring fair value. The three levels of inputs are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Organization's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The fair value of financial instruments classified as current assets or liabilities, including cash and cash equivalents, pledges receivable, other receivables, accounts payable, and accrued liabilities approximate their carrying value, principally because of the short maturity of those instruments.

The Organization carries all investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets (Level 1 measurements) in the consolidated statements of financial position. Unrealized gains and losses are included in the accompanying consolidated statements of activities and changes in net assets.

The same valuation techniques were used during the years ended June 30, 2024 and 2023.

Cash and Cash Equivalents

The Organization maintains substantially all of its available cash at a national financial institution and its affiliated brokerage firm. The Organization's funds maintained at the financial institution are insured by the Federal Deposit Insurance Corporation up to a maximum of $250,000. Funds maintained at the brokerage firm are insured by the Securities Investment Protection Corporation up to a maximum amount of $500,000, including a maximum of $250,000 for cash balances. The Organization, at times, may maintain balances in excess of these insured limits.

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Pledges receivable consists primarily of amounts pledged as support in connection with the Organization's annual fund-raising campaigns and certain special events. These pledges are reported as an increase in net assets in the year in which the pledge is made by the donor.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The discounts on those amounts are computed using estimated risk-free interest rates applicable to the years in which the promises are received. Amortization of the related discounts is included in contribution revenue over the life of the promise.

The Organization uses the allowance method to determine potentially uncollectible pledges receivable. This allowance is based on historical collection experience and management's analysis of specific pledges.

Fixed Assets

Fixed assets are stated at historical cost, or if donated, at the fair market value at the date of the gift. Depreciation of fixed assets is computed using the straight-line method over the estimated useful lives of the assets, which range from one to thirty-nine years. It is the Organization's policy to capitalize fixed assets with a cost in excess of $2,500.

Maintenance and repairs are charged to expense and renewals and improvements are capitalized. When fixed assets are retired or disposed of, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in the consolidated statements of activities and changes in net assets.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") assets – operating and lease liability – operating, and finance leases are included in fixed assets and lease liability – financing in the consolidated statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. 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 terms. 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 consolidated statements of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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. 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 restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in the net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

Unconditional contribution pledges are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional contributions are recognized when the conditions on which they depend are substantially met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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 have been substantially met. Certain Organization grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, outstanding conditional contributions approximating $249,000 and $964,000 at June 30, 2024 and 2023, respectively, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Public sector funding revenue includes contract fees from various schools. Contract fee revenue is recognized at a point in time when students attend the Organization's programs and totaled $363,061 and $368,435 for the years ended June 30, 2024 and 2023, respectively.

Donated Services

The Organization recognizes contribution revenue when certain specialized services are received if the services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. These revenues are recorded at the estimated fair market value of the services. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in carrying out its programs and services. The fair market value of these services has not been reflected in these consolidated financial statements.

Functional Expenses

Costs are allocated among program and supporting services based on the relative benefit to each. Costs unrelated to program services are allocated between fundraising and management and general expenses. Expenses that benefit more than one function of the Organization are allocated among the functions based generally on the amount of time spent by employees on each function.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 43-1201(4) of the Arizona Revised Statutes. However, the Organization remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption.

The Organization utilizes the provisions of FASC 740-10, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Based on the Organization's evaluation of the June 30, 2021 through 2023 income tax returns and positions expected to be taken in the June 30, 2024 income tax returns, the Organization did not engage in activities or take uncertain tax positions that would jeopardize its tax-exempt status, or generate unrelated business income, which would be subject to taxation. In the event the Organization is assessed interest or penalties by major tax jurisdictions, it will be included in the provision for income taxes in the consolidated financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

The Organization uses third-party advertising and its own website to promote its programs among the public it serves. All advertising costs are expensed as incurred. The Organization did not incur any advertising costs during the years ended June 30, 2024 or 2023.

Concentration of Revenues

The majority of the Organization's revenues arises from contributions and support from businesses, foundations, and individuals, most of whom are located or reside in the Phoenix and Tucson, Arizona metropolitan areas.

Adoption of New Accounting Standard

The Organization has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measure of Credit Losses on Financial Instruments,* as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's consolidated financial statements but did change how the allowance for credit losses is determined.

NOTE 2 LIQUIDITY

The Organization strives to maintain liquid financial assets sufficient to cover three to six months of general expenditures. At June 30, 2024, the Organization had liquid financial assets on hand to cover 14.57 months of general expenditures.

The following table reflects the Organization's financial assets, available for general expenditures within one year of the consolidated statement of financial position date:

	2024	2023
Total Financial Assets	$ 10,147,066	$ 9,434,713
Donor Imposed Restrictions:		
Restricted Funds	(1,879,454)	(1,894,862)
Endowments	(544,787)	(493,421)
Net Financial Assets Available to Meet Cash Needs after Donor-Imposed Restrictions	$ 7,722,825	$ 7,046,430

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

NOTE 3 INVESTMENTS

Investments consist of the following as of June 30:

	2024				
	Carrying Amount	Not Held at Fair Value	Level 1	Level 2	Level 3
Investments:					
Equity Funds	$ 1,412,316	$ -	$ 1,412,316	$ -	$ -
Mutual Funds	2,215,314	-	2,215,314	-	-
Fixed Income	3,383,511	-	3,383,511	-	-
Cash	141,171	141,171	-	-	-
Total Investments	$ 7,152,312	$ 141,171	$ 7,011,141	$ -	$ -

	2023				
	Carrying Amount	Not Held at Fair Value	Level 1	Level 2	Level 3
Investments:					
Equity Funds	$ 1,289,777	$ -	$ 1,289,777	$ -	$ -
Mutual Funds	1,493,206	-	1,493,206	-	-
Fixed Income	2,706,134	-	2,706,134	-	-
Cash	130,615	130,615	-	-	-
Total Investments	$ 5,619,732	$ 130,615	$ 5,489,117	$ -	$ -

See Note 10 for a discussion of certain endowments included in the above balances.

NOTE 4 PLEDGES RECEIVABLE

Pledges receivable consist of the following as of June 30:

	2024	2023
Corporate Campaigns	$ 942,024	$ 1,142,100
Special Events Campaigns	470,175	63,380
All Other Campaigns	396,925	1,786,649
Total	1,809,124	2,992,129
Less: Allowance for Uncollectible Pledges	(32,500)	(30,700)
Less: Unamortized Discount	(68,366)	(104,039)
Pledges Receivable, Net	$ 1,708,258	$ 2,857,390
Amounts Due in:		
Less than One Year	$ 1,235,125	$ 2,272,429
One to Five Years	573,999	719,700
Total	$ 1,809,124	$ 2,992,129

Pledges receivable with due dates extending beyond one year were discounted using rates effective on the date of the pledge, which approximated 8.5% and 7.9% as of June 30, 2024 and 2023, respectively.

NOTE 5 FIXED ASSETS

Fixed assets consist of the following as of June 30:

	2024	2023
Building	$ 3,326,660	$ 3,364,828
Equipment	395,451	355,874
Land Improvements - Parking Lot	351,340	351,340
Furniture	175,189	166,995
Sponsor Improvements	95,633	72,997
Construction in Progress	-	24,615
Total	4,344,273	4,336,649
Less: Accumulated Depreciation	2,656,876	2,510,142
Total	1,687,397	1,826,507
Land	457,700	457,700
Fixed Assets, Net	$ 2,145,097	$ 2,284,207

Depreciation expense was $201,013 and $167,612 for the years ended June 30, 2024 and 2023, respectively, and is allocated to program services, fundraising, and management and general expense in the consolidated statements of activities.

NOTE 6 LIFE INSURANCE POLICIES

The Organization owns and is the beneficiary of life insurance policies on three individuals. These policies have a consolidated face value of $48,000, and have estimated death values of $71,237 and $70,997 as of June 30, 2024 and 2023, respectively. The individuals on two of the policies provide the Organization with the funds to make the related premium payments. Upon the death of the insured, the Organization will receive all benefits payable and, if the policy is terminated prior to the death of the insured, the Organization will receive the policy cash surrender value. As of June 30, 2024 and 2023, respectively, the estimated net cash value of the policies was $33,273 and $31,834, which is included in long-term assets in the consolidated statements of financial position.

NOTE 7 LEASES

The Organization leases equipment under a long-term, non-cancelable lease agreement. The lease expires in January 2027.

The following tables provides quantitative information concerning the Organization's leases at June 30:

	2024	2023
Lease Cost:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets (Included in Depreciation)	$ 11,835	$ 5,918
Interest on Lease Liabilities	28,438	12,466
Short-Term Lease Cost	20,400	19,392
Total Lease Cost	$ 60,673	$ 37,776
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows from Financing Leases	$ 28,438	$ 12,466
Financing Cash Flows from Financing Leases	$ 4,734	$ 1,361
Fixed Assets Obtained in Exchange for New Financing Lease Liabilities	$ -	$ 47,340
Weighted Average Reamining Leases Term - Financing Leases	2.6 Years	3.6 Years
Weighted Average Discount Rate - Financing Leases	64.40%	64.40%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024, is as follows:

Year Ending June 30,	Finance Lease
2025	$ 33,187
2026	33,187
2027	19,264
Total Lease Payments	85,638
Less: Imputed Interest	(44,393)
Present Value of Lease Liabilities	$ 41,245

Subsequent to year-end, the Organization entered into an agreement to extend their short-term parking lot lease through May 2025 for $1,700 per month.

NOTE 8 LONG-TERM DEBT

Notes payable consisted of the following at June 30:

Description	2024	2023
Note payable to Achievement Foundation, Inc. (Related party - JA USA); payable in quarterly installments of $2,500 through March 2024. The loan was paid in full in fiscal year 2024. The loan was interest free.	$ -	$ 7,500
Total Debt	-	7,500
Less: Current Maturities	-	-
Total Long-Term Debt, Net	$ -	$ 7,500

NOTE 9 NET ASSETS

Net assets with donor restrictions are available for the following purposes or periods as of June 30:

	2024	2023
Subject to Expenditure for Specified Purposes	$ 1,549,021	$ 1,562,102
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	330,433	332,760
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	226,910	179,544
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
General Operations	148,700	148,700
Programs	99,167	95,167
Scholarships	70,010	70,010
Total Endowment Net Assets	544,787	493,421
Total Net Assets with Donor Restrictions	$ 2,424,241	$ 2,388,283

NOTE 10 ENDOWMENT ASSETS

The Organization’s endowments include five individual donor-restricted funds. Endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The majority of the endowment funds of the Organization are included in the Organization’s equity and mutual fund investments summarized in Note 3.

NOTE 10 ENDOWMENT ASSETS (CONTINUED)

Balances and changes in endowment assets as of and for the years ended June 30, 2024 and 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Assets - June 30, 2022	$ -	$ 476,343	$ 476,343
Donor Contributions	-	167	167
Investment Return:			
Investment Income	-	13,222	13,222
Net Appreciation (Realized/ Unrealized Gains)	-	28,241	28,241
Amounts Expended	-	(24,552)	(24,552)
Endowment Assets - June 30, 2023	-	493,421	493,421
Donor Contributions	-	4,000	4,000
Investment Return:			
Investment Income	-	16,197	16,197
Net Appreciation (Realized/ Unrealized Gains)	-	44,470	44,470
Amounts Expended	-	(13,301)	(13,301)
Endowment Assets - June 30, 2024	$ -	$ 544,787	$ 544,787

Interpretation of Relevant Law

The Foundations' trustees have interpreted the Arizona Management of Institutional Funds Act (the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of June 30, 2024 and 2023, there were no such donor stipulations.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts donated to the endowment (including promises to give, net of discount and allowance for doubtful accounts) and (c) accumulation to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The accumulated earnings on the endowment funds remain treated as donor-restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act.

NOTE 10 ENDOWMENT ASSETS (CONTINUED)

Interpretation of Relevant Law (Continued)

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization follows investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under the investment policy as approved by the Foundations' trustees, the endowment assets are invested in a manner that is intended to produce results that over time exceed the total return of the various benchmark indices in the investment policy guidelines, while assuming an appropriate level of investment risk.

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

The Organization's spending policy complies with the spending limitations in the donor gift instruments.

Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Organization to retain as a fund of perpetual duration. There were no deficiencies of this nature at June 30, 2024 or 2023.

NOTE 11 DONATED ITEMS, GOODS, AND SERVICES

Contributed goods and materials, fixed assets, and services are recorded in the accompanying consolidated financial statements at estimated fair market value on the date of receipt. Contributed items, goods, and services received by the Organization to be used as auction items or otherwise be provided to donors and participants in connection with special events are recorded at estimated fair market value as in-kind inventory and in-kind revenue. When the Organization utilizes the contributed items, goods and services at the special events, in-kind inventory, and in-kind revenue are reduced and the proceeds from the sale of the contributed items, goods, and services are recorded as special events revenue.

Total in-kind contributions included in revenues were as follows during the years ended June 30:

	2024	2023
Goods and Materials	$ 282,988	$ 271,754
Items, Goods, and Services Utilized at Special Events	(59,401)	(54,737)
Total Donated Items, Goods, and Services Revenue	$ 223,587	$ 217,017

The contributed goods, materials, and services listed above are recorded in the following functional expense categories during the years ended June 30:

	2024	2023
Donated Goods and Materials:		
Program Services	$ 87,716	$ 57,771
Management and General	771	1,346
Fundraising	11,216	154,050
Total Donated Goods and Materials	$ 99,703	$ 213,167
Donated Services:		
Program Services	$ 7,240	$ -
Management and General	323	-
Fundraising	6,987	-
Total Donated Services	$ 14,550	$ -

In-kind contributions consist of gift cards for the special events and the Towns and of donated material and construction labor. The Organization estimates the fair value of the in-kinds on the basis of estimates of the current market rates for similar gift cards, materials and labor.

NOTE 11 DONATED ITEMS, GOODS, AND SERVICES (CONTINUED)

In-kind contributions related to the programs are restricted to be used for students during their visit of the Towns. In-kind contributions related to the special events are restricted for use at those events. No other in-kind contributions were received with donor restrictions. In-kind contributions received with donor restrictions which are utilized in the same year are treated as without donor restrictions on the statements of activities. During the years ended June 30, 2024 and 2023, the Organization received and used within the same fiscal year $94,233 and $58,587, respectively, of in-kind contributions with donor restrictions.

NOTE 12 RETIREMENT PLANS

The Organization has a defined contribution retirement plan which covers all employees who have met certain age and length of service requirements, as defined in the plan document.

The Organization makes contributions of 6.3% of eligible annual compensation to the plan. Contributions to the plan were $136,057 and $130,553 during the years ended June 30, 2024 and 2023, respectively.

The Organization has a 403(b) retirement plan. This plan allows employees to defer compensation on a pre-tax basis. The Organization does not contribute to this plan.

The Organization also has a 457(b) retirement plan. This plan allows highly compensated employees to defer additional compensation on a pre-tax basis. The Organization's president is the only employee eligible for this plan. The Organization does not contribute to this plan.

NOTE 13 RELATED PARTY TRANSACTIONS

The Organization incurred national program and support fees totaling $274,251 and $213,546 to Junior Achievement, Inc. (JA USA) during the years ended June 30, 2024 and 2023, respectively. The fee for the year ended June 30, 2024 was based upon actual revenue reported to JA USA during the period from July 1, 2022 through June 30, 2023, less any allowed waivers. The fee for the year ended June 30, 2023 was based upon actual revenue reported to JA USA during the period from July 1, 2021 through June 30, 2022, less any allowed waivers.

The Organization incurred liability insurance premiums totaling $42,235 and $35,518 to JA USA during the years ended June 30, 2024 and June 30, 2023, respectively. The premium for the year ended June 30, 2024 was based upon actual student numbers reported to JA USA during the period from June 30, 2021 through June 30, 2022. The premium for the year ended June 30, 2023 was based upon actual student numbers reported to JA USA during the period from June 30, 2018 through June 30, 2021.

NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

The Organization purchased and utilized certain educational materials from JA USA in the amounts of $101,573 and $158,093 during the years ended June 30, 2024 and 2023, respectively.

The Organization purchased software from JA USA in the amounts of $1,920 and $1,679 during the years ended June 30, 2024 and 2023, respectively.

The Organization owed JA USA $-0- and $3,366 at June 30, 2024 and 2023, respectively.

The Organization receives contributions, goods, and services from various members of the Organization's boards of directors and from their companies and employers, some at reduced rates and some at no cost to the Organization. Such goods and services include telephone service, legal services, advertising, moving services, rent and donated fixed assets. Management does not consider any of these transactions to be material to the consolidated financial statements. The amounts received from board members totaled $242,092 and $113,135 during the years ended June 30, 2024 and 2023, respectively. The Organization also maintains substantially all of its available funds with companies whose employees serve on its boards of directors.

The amount due from the board members as of both June 30, 2024 and 2023 was $-0- and $500, respectively.

The Organization is paying for marketing services through a board member owned company. A total of $101,970 and $104,658 was paid and expensed for marketing services during the years ended June 30, 2024 and 2023, respectively. The amount due as of June 30, 2024 and 2023 to this company was $-0- and $888, respectively.

NOTE 14 RISKS AND UNCERTAINTIES

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

NOTE 15 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 31, 2024, the date that these consolidated financial statements were available to be issued. There were no subsequent events that require adjustment to, or disclosure in the consolidated financial statements.