



JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Junior Achievement of North Florida, Inc.
Jacksonville, Florida

Opinion

We have audited the accompanying financial statements of Junior Achievement of North Florida, Inc. (the "Organization", a Florida nonprofit corporation), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statement are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it 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.

To the Board of Directors
Junior Achievement of North Florida, Inc.
Jacksonville, Florida

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to the risks. Such procedures included 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 the Organization'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 the Organization'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.

Neville Wainio CPAs

St. Augustine, Florida
September 25, 2024

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2024 AND 2023

ASSETS		2024	2023
Current assets:			
Cash and cash equivalents	\$	1,896,190	\$ 722,357
Investments		255,111	1,020,272
Accounts receivable		22,000	49,150
Prepaid expenses and other assets		7,297	2,972
Total current assets		<u>2,180,598</u>	<u>1,794,751</u>
Non-current assets:			
Right of use assets		105,352	-
Total non-current assets:		<u>105,352</u>	<u>-</u>
Total Assets	\$	<u><u>2,285,950</u></u>	<u><u>\$ 1,794,751</u></u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued expenses	\$	116,611	\$ 97,686
Deferred revenue		93,305	77,400
Compensated absences		22,477	14,334
Current portion of lease liabilities		46,648	-
Current portion of notes payable		19,510	39,109
Total current liabilities		<u>298,551</u>	<u>228,529</u>
Non-current liabilities:			
Lease liabilities, less current portion		59,976	-
Notes payable, less current portion		499,900	509,268
Total non-current liabilities		<u>559,876</u>	<u>509,268</u>
Total Liabilities		<u>858,427</u>	<u>737,797</u>
Net assets:			
Net assets without donor restrictions		1,018,614	1,056,954
Net assets with donor restrictions		408,909	-
Total Net Assets		<u>1,427,523</u>	<u>1,056,954</u>
Total Liabilities and Net Assets	\$	<u><u>2,285,950</u></u>	<u><u>\$ 1,794,751</u></u>

The accompanying notes are an integral part of these statements.

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions and grants:			
Corporate	\$ 424,951	\$ 284,387	\$ 709,338
Individuals	94,772	-	94,772
Foundations	290,787	124,522	415,309
Total contributions and grants	810,510	408,909	1,219,419
Special events - gross	402,142	-	402,142
Cost of direct benefit to donors	(96,627)	-	(96,627)
Total special events - net	305,515	-	305,515
Public sector funding	57,529	-	57,529
Interest income	71,214	-	71,214
In-kind contributions	1,500	-	1,500
Net assets released from restrictions	-	-	-
Total revenues and support	1,246,268	408,909	1,655,177
Expenses			
Program services	781,033	-	781,033
Management and general	276,346	-	276,346
Fundraising	227,229	-	227,229
Total expenses	1,284,608	-	1,284,608
CHANGE IN NET ASSETS	(38,340)	408,909	370,569
NET ASSETS - BEGINNING OF YEAR	1,056,954	-	1,056,954
NET ASSETS - END OF YEAR	\$ 1,018,614	\$ 408,909	\$ 1,427,523

The accompanying notes are an integral part of these statements.

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions and grants:			
Corporate	\$ 376,469	\$ -	\$ 376,469
Individuals	70,452	-	70,452
Foundations	1,137,093	-	1,137,093
Total contributions and grants	1,584,014	-	1,584,014
Special events - gross	414,965	-	414,965
Cost of direct benefit to donors	(110,604)	-	(110,604)
Total special events - net	304,361	-	304,361
Public sector funding	76,775	-	76,775
Interest income	23,208	-	23,208
In-kind contributions	9,500	-	9,500
Net assets released from restrictions	-	-	-
Total revenues and support	1,997,858	-	1,997,858
Expenses			
Program services	796,469	-	796,469
Management and general	280,603	-	280,603
Fundraising	227,145	-	227,145
Total expenses	1,304,217	-	1,304,217
CHANGE IN NET ASSETS	693,641	-	693,641
NET ASSETS - BEGINNING OF YEAR	363,313	-	363,313
NET ASSETS - END OF YEAR	<u>\$ 1,056,954</u>	<u>\$ -</u>	<u>\$ 1,056,954</u>

The accompanying notes are an integral part of these statements.

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024					
	Program Services	Management and General	Fundraising	Total Functional Expenses	Cost of Direct Benefits to Donors	Total Expenses
Salaries and payroll taxes	\$ 402,149	\$ 186,548	\$ 148,725	\$ 737,422	\$ -	\$ 737,422
Employee benefits	48,621	15,144	15,941	79,706	-	79,706
Franchise fees	83,679	22,094	7,244	113,017	-	113,017
Program materials	66,125	-	-	66,125	-	66,125
Fundraising events - special events	-	-	-	-	96,627	96,627
Professional fees	52,623	12,814	13,488	78,925	-	78,925
Occupancy	35,570	10,955	11,532	58,057	-	58,057
Office expense	44,987	14,062	14,800	73,849	-	73,849
Public relations and advertising	16,175	5,040	5,301	26,516	-	26,516
Insurance	8,447	2,632	2,769	13,848	-	13,848
Interest	11,323	3,526	3,714	18,563	-	18,563
Travel	10,313	3,212	3,380	16,905	-	16,905
Depreciation	1,021	319	335	1,675	-	1,675
Total expenses including cost of direct benefit to donors	781,033	276,346	227,229	1,284,608	96,627	1,381,235
Less cost of direct benefit to donors netted against special events revenue on the statement of activities	-	-	-	-	(96,627)	(96,627)
Total Expenses	<u>\$ 781,033</u>	<u>\$ 276,346</u>	<u>\$ 227,229</u>	<u>\$ 1,284,608</u>	<u>\$ -</u>	<u>\$ 1,284,608</u>

The accompanying notes are an integral part of these statements.

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2023					
	Program Services	Management and General	Fundraising	Total Functional Expenses	Cost of Direct Benefits to Donors	Total Expenses
Salaries and payroll taxes	\$ 393,095	\$ 190,350	\$ 151,756	\$ 735,201	\$ -	\$ 735,201
Employee benefits	59,559	18,550	19,527	97,636	-	97,636
Franchise fees	102,491	27,061	8,873	138,425	-	138,425
Program materials	72,628	-	-	72,628	-	72,628
Fundraising events - special events	-	-	-	-	110,604	110,604
Professional fees	51,432	12,524	13,183	77,139	-	77,139
Occupancy	32,848	10,116	10,649	53,613	-	53,613
Office expense	43,017	13,446	14,152	70,615	-	70,615
Public relations and advertising	22,654	2,717	2,859	28,230	-	28,230
Insurance	3,209	1,000	1,052	5,261	-	5,261
Interest	7,951	2,476	2,608	13,035	-	13,035
Travel	6,562	2,044	2,151	10,757	-	10,757
Depreciation	1,023	319	335	1,677	-	1,677
Total expenses including cost of direct benefit to donors	796,469	280,603	227,145	1,304,217	110,604	1,414,821
Less cost of direct benefit to donors netted against special events revenue on the statement of activities	-	-	-	-	(110,604)	(110,604)
Total Expenses	<u>\$ 796,469</u>	<u>\$ 280,603</u>	<u>\$ 227,145</u>	<u>\$ 1,304,217</u>	<u>\$ -</u>	<u>\$ 1,304,217</u>

The accompanying notes are an integral part of these statements.

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 370,569	\$ 693,641
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Net realized and unrealized (gain) loss on investments	(31,884)	(19,535)
Decrease in accounts receivable	27,150	7,350
(Increase) decrease in prepaid expenses and other assets	(3,052)	2,352
Increase in accounts payable and accrued expenses	18,925	21,315
Increase (decrease) in deferred revenue	15,905	(55,950)
Increase (decrease) in compensated absences	<u>8,143</u>	<u>(759)</u>
Net Cash Provided by Operating Activities	<u>405,756</u>	<u>648,414</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(250,000)	(1,000,000)
Proceeds from investments	<u>1,047,044</u>	<u>-</u>
Net Cash Provided (Used) By Investing Activities	<u>797,044</u>	<u>(1,000,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments of notes payable	<u>(28,967)</u>	<u>(31,297)</u>
Net Cash (Used) By Financing Activities	<u>(28,967)</u>	<u>(31,297)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,173,833	(382,883)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>722,357</u>	<u>1,105,240</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,896,190</u>	<u>\$ 722,357</u>
SUPPLEMENTAL DISCLOSURES:		
Interest paid	<u>\$ 18,563</u>	<u>\$ 13,035</u>
Right of use assets obtained with lease liabilities	<u>\$ 106,624</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

Junior Achievement of North Florida, Inc. (the "Organization") is a nonprofit corporation located in Jacksonville, Florida and is affiliated with a national organization, Junior Achievement USA, Inc. ("JA USA"). The Organization was incorporated in the State of Florida on March 4, 1994 for the purpose of inspiring young people to succeed in a global economy. Its programs foster work-readiness, entrepreneurship, and financial literacy skills, and use experimental learning to inspire students in the community to dream big and reach their potential. The Organization received its charter from JA USA in 1963. The Organization has received tax exempt status under section 501(c)(3) of the Internal Revenue code. The Organization is funded primarily through foundation, corporate, government and individual contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

These financial statements focus on the Organization's resources and activities as a whole. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed or other external restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets with donor restrictions - net assets that are subject to donor-imposed restrictions that 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 those resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions
- Net assets without donor restrictions - net assets without donor restrictions encompass charitable contributions, grants, and fundraising receipts that are available for use for the various activities of the Organization, including the support of program activities, fundraising and charitable activities at the discretion of the board of directors; operational and administrative functions; and expenses attributed to contributions with donor-imposed restrictions that have been met during the same reporting period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's knowledge and experience. Actual results may differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit in banks and invested in liquid assets with initial maturities of less than three months when acquired. The Organization maintains its cash in depository accounts, which, at times, may exceed federally insured limits.

Investments

The Organization carries investments in certificates of deposit with readily determinable fair values. Investment income consists of interest income from the certificates held and other depository accounts.

Fair Value Measurements

Authoritative guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). As a basis for considering such assumptions, the three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value are as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Accounts Receivable and Allowance

Receivables consist of contributions and grants not yet received from donors for various programs and events. All accounts were determined to be collectible and no allowance for doubtful accounts was reported as of June 30, 2024 and 2023, respectively.

Right of Use Assets and Lease Liabilities

Operating leases are presented as a right of use asset and associated operating lease liability. Management elects to not capitalize any leases with a term of twelve (12) months or less. The Organization uses the implicit rate when readily determinable or, if not readily determinable, an estimated borrowing rate based on the information available at the commencement date to determine the present value of future minimum lease payments. The right of use asset is amortized on a straight-line basis and the lease liability based on the discounted monthly cash flow.

Revenue and Support with and without Donor Restrictions

Contributions are reported as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions and reported in the statement of activities as nets assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the grant or contribution is received are classified as net assets without donor restrictions.

In-Kind Contributions

Contributed assets are recorded as revenue at their estimated fair value in the period received. Contributed services are recognized and reported at fair value in the period received, if the services received created or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by contributions. The Organization pays for most services requiring a specific expertise. However, many individuals volunteer their time and performance variety of tasks that assist the Organization with specific educational programs and various other assignments.

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll and payroll taxes are allocated based on actual percentages of time spent in each functional area. Expenses not charge to a specific program or supporting function are allocated based on full-time equivalents and include the following: insurance, utilities, telephone, office supplies, employee benefits, postage, certain professional fees, information technology, and interest.

General and Administrative

General and administrative includes the functions necessary to maintain an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative function of the board of directors, and manage the financial and budgetary responsibilities of the Organization.

Advertising

The Organization expenses advertising costs as they are incurred.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

3. MANAGEMENT OF LIQUIDITY

The Organization has financial assets available within one year of the statement of financial position date for general expenditures as follows.

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	\$ 1,896,190	\$ 722,357
Investments	255,111	1,020,272
Accounts receivable	22,000	49,150
Total financial assets at year end:	2,173,301	1,791,779
Donor-imposed restrictions	(408,909)	-
Financial assets available within one year	<u>\$ 1,764,392</u>	<u>\$ 1,791,779</u>

The Organization manages their financial assets available within one year in operating, savings, and certificates of deposit accounts.

In addition to the above amounts, the Organization has access to a \$100,000 line of credit at SouthState Bank. The Organization had \$100,000 of unused credit available for expenditures as of June 30, 2024 and 2023, respectively.

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

4. INVESTMENTS

Investments consist of the following as of June 30:

	2024		2023	
	Cost	Market Value	Cost	Market Value
Certificates of deposit	\$ 250,000	\$ 255,111	\$ 1,000,000	\$ 1,020,272
	<u>\$ 250,000</u>	<u>\$ 255,111</u>	<u>\$ 1,000,000</u>	<u>\$ 1,020,272</u>

5. FAIR VALUE MEASUREMENTS

Assets and liabilities remeasured and disclosed at fair value on a recurring basis as of June 30 are set forth in the table below:

	2024			
	Level 1	Level 2	Level 3	Fair Value
Certificates of deposit	\$ 255,111	\$ -	\$ -	\$ 255,111
	<u>\$ 255,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,111</u>
	2023			
	Level 1	Level 2	Level 3	Fair Value
Certificates of deposit	\$ 1,020,272	\$ -	\$ -	\$ 1,020,272
	<u>\$ 1,020,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,020,272</u>

6. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Organization leases office space for normal business operations. The lease has a term of thirty-six (36) months and expires in August 2026. The rent increases annually with an escalator of three percent (3%) of the original base rent of \$4,210 per month. The Organization used an estimated borrowing rate of six percent (6%) to determine the present value of the future minimum lease payments.

The Organization had a right of use asset in the amounts of \$105,352 and \$0 and lease liability in the amounts of \$106,624 and \$0 as of June 30, 2024 and 2023, respectively. The discount amount between future minimum payments and the present value of the lease liability was \$7,416 and \$0 as of June 30, 2024 and 2023, respectively. The Organization paid \$42,100 and \$0 in operating lease expenses for the years ended June 30, 2024 and 2023, respectively.

Discounted future minimum rental payments required under the above non-cancelable operating lease are the following:

2025	\$ 46,648
2026	51,112
2027	8,864
	<u>\$ 106,624</u>

7. DEFERRED REVENUE

Deferred revenue totaled \$93,305 and \$77,400 as of June 30, 2024 and 2023, respectively and is primarily for The Golf Classic tournament that takes place in September or October each year. Funds are collected in advance. The proceeds will be recognized as revenues after the events occur.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions that have a time or purpose restriction were available for the following purposes as of June 30:

	2024	2023
Discovery center	\$ 386,909	\$ -
Time restricted unconditional contributions	22,000	-
Total	<u>\$ 408,909</u>	<u>\$ -</u>

9. COMPENSATED ABSENCES

The Organization grants vacation to full-time and part-time employees in recognition of service. Vacation is calculated according to the calendar year. For full-time employees, vacation hours are earned each pay period ranging from 3.08 to 7.69 hours per pay period. Vacation hours earned are determined by years of service. Part-time employees receive 20 hours of annual leave that is pro-rated. No more than 80 hours may be carried over into the new calendar year unless approved by the president of the Organization. In the event that an employee carries over more than 80 hours, he or she is only entitled to be paid for 80 hours if they leave the Organization.

In addition to vacation pay, employees are also entitled to personal and sick leave. Full-time employees receive 16 hours of personal and 40 hours of sick leave each calendar year. Part-time employees receive 8 hours of personal leave and 20 hours of sick leave per calendar year. These hours renew annually on January 1st and are not allowed to be carried over. The Organization does not have an accrued liability for employee personal or sick pay since they are forfeited if not taken by year end.

10. LINE OF CREDIT

The Organization maintains a \$100,000 line of credit agreement with SouthState Bank that is secured by all tangible property and due on demand. The interest rate is a variable rate based on the index rate plus one percentage point. The line of credit expires and renews annually in June. There were no outstanding balances on the line of credit as of June 30, 2024 and 2023, respectively.

JUNIOR ACHIEVEMENT OF NORTH FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

11. NOTES PAYABLE

Notes payable consist of the following as of June 30:

	2024	2023
An unsecured promissory note for COVID-19 pandemic relief that matures June 2026. The monthly installments for principal and interest total \$1,739. Additional principal payments have been made to the note. The stated interest rate is 5.99%.	\$ 19,510	\$ 40,977
A promissory note that matured March 2024. The note was payable in quarterly installments on principal in the amount of \$2,500. The loan carried no interest if the payments were made on time.	-	7,500
An Economic Injury Disaster Loan due August 2051 secured by all tangible and intangible personal property. Payments were deferred until February 2024. Monthly installments in the amount of \$2,189 are payable to accrued interest only. Upon payoff of accrued interest, installments will be to principal and interest. The stated interest rate is 2.75%.	499,900	499,900
Total of long-term debt	519,410	548,377
Less current portion	(19,510)	(39,109)
	<u>\$ 499,900</u>	<u>\$ 509,268</u>

Annual maturities of notes payable are as follows for the years ended June 30:

2025	\$ 19,510
2026	-
2027	10,438
2028	12,481
2029	12,518
Thereafter	464,463
	<u>\$ 519,410</u>

12. INCOME TAXES

The Organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and Florida Statutes. In accordance with the applicable provisions of the Internal Revenue Code, the Organization is subject to an excise tax on net investment income, including realized investment gains.

The Organization evaluates its tax positions for any uncertainties based on the technical merits of the position taken. The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be upheld on examination by taxing authorities.

Currently, the tax years ended June 30, 2023, 2022 and 2021 are open and subject to examination by the Internal Revenue Service. However, the Organization is not currently under audit nor has the Organization been contacted by any of these jurisdictions.

13. IN-KIND CONTRIBUTIONS

The Organization received the following contributions of non financial assets for the years ended June 30:

	2024	2023
Professional services	\$ -	\$ 6,500
Storage unit rental	1,500	3,000
Total in-kind contributions	<u>\$ 1,500</u>	<u>\$ 9,500</u>

14. CONCENTRATIONS OF CREDIT RISK

Cash Concentration

The Organization maintains cash balances at various financial institutions. The balances for interest and non interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per customer. Cash balances exceeded insured limits by \$0 and \$197,065 as of June 30, 2024 and 2023, respectively.

15. RELATED PARTY

The Organization is affiliated with a national organization, Junior Achievement USA, Inc. ("JA USA"). The Organization is required to pay JA USA program and support fees that are based on a percentage of contributions and net income from special events. The Organization paid program and support fees totaling \$113,017 and \$138,425 for the years ended June 30, 2024 and 2023, respectively.

The Organization also purchases program materials, supplies, insurance and other office expenses from JA USA. The amounts totaled \$11,374 and \$20,034 for the years ended June 30, 2024 and 2023, respectively. The Organization did not have any outstanding payables or receivables with JA USA as of June 30, 2024 and 2023, respectively.

**16. HEALTH AND WELFARE BENEFITS TRUST AND
POSTRETIREMENT BENEFITS PLAN**

Health and Welfare Benefits Trust

The Organization has a medical, dental and other benefits plan covering full-time employees of the Organization and their beneficiaries and covered dependents. The plan is accounted for similar to a multi-employer plan. Premiums are paid into the Health and Welfare Plan for each participant by participating employers. Employees of the Organization and employees of Junior Achievement Areas in the United States can participate in the Health and Welfare Plan. All the assets and liabilities of the Health and Welfare Plan are held in the Junior Achievement USA Health and Welfare Benefits Trust (Benefits Trust). Accordingly, no balances or transactions of the Benefits Trust are recorded in the financial statements of the Organization. The Organization's net premium expense for the Health and Welfare Plan was \$49,624 and \$63,394 for the years ended June 30, 2024 and 2023, respectively.

Postretirement Benefits Plan

The Health and Welfare Plan also offers healthcare benefits to retired personnel of the participation employers. This created 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.

17. PROFIT SHARING PLAN

Starting on July 1, 2019, the Organization implemented 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 totaled \$30,083 and \$34,243 for the years ended June 30, 2024 and 2023, respectively.

18. SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through September 25, 2024, the date the financial statements were available to be issued.