SIKICH®

JUNIOR ACHIEVEMENT OF CHICAGO

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Junior Achievement of Chicago

Opinion

We have audited the accompanying financial statements of Junior Achievement of Chicago (a nonprofit organization) (the 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 the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Junior Achievement of Chicago as of June 30, 2023 were audited by other auditors whose report dated September 19, 2023 expressed an unmodified opinion of those financial statements.

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 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, 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 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.

Sikich CPA LLC

Naperville, Illinois
October 25, 2024

FINANCIAL STATEMENTS

JUNIOR ACHIEVEMENT OF CHICAGO

STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 702,134	$ 1,413,705
Pledges receivable	145,550	106,750
Prepaid expenses and other	275,264	282,912
Total current assets	1,122,948	1,803,367
Investments	3,570,516	2,934,993
Lease - right-of-use assets	726,573	995,613
Assets held under 457(b) plan	143,970	227,526
EQUIPMENT		
Office equipment and furniture	651,410	820,059
Automobiles	24,493	24,493
Total equipment	675,903	844,552
Less accumulated depreciation	(526,002)	(671,470)
Equipment, net	149,901	173,082
Investments, restricted to endowment or quasi-endowment	22,746,912	21,005,324
TOTAL ASSETS	$ 28,460,820	$ 27,139,905
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	$ 23,510	$ 4,431
Accrued expenses	318,314	456,894
Deferred revenue	297,010	320,500
Refundable advance	50,000	-
Awards payable	65,178	42,678
Short-term lease liability	289,659	268,902
Total current liabilities	1,043,671	1,093,405
Long-term lease liability	489,290	778,704
457(b) plan deferred compensation liability	143,970	227,526
Total liabilities	1,676,931	2,099,635
NET ASSETS		
Without donor restrictions		
Operations	3,887,076	3,861,864
Investment in equipment	149,901	173,082
Board-designated endowments	22,547,482	20,813,407
Total without donor restrictions	26,584,459	24,848,353
With donor restrictions	199,430	191,917
Total net assets	26,783,889	25,040,270
TOTAL LIABILITIES AND NET ASSETS	$ 28,460,820	$ 27,139,905

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF CHICAGO

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Operating			
Contributions			
Corporate and individuals	$ 2,687,850	$ -	$ 2,687,850
Grants and program sponsorships	225,615	-	225,615
Special events, net of cost of direct benefit to donors of $342,401	1,629,976	-	1,629,976
Net assets released from restrictions	1,000,000	-	1,000,000
Total contributions	5,543,441	-	5,543,441
Other income and losses	5,124	-	5,124
Gain on investments	36,953	-	36,953
Investment income, net of investment expenses	128,885	-	128,885
Total operating revenues	5,714,403	-	5,714,403
EXPENSES			
Program services	4,054,305	-	4,054,305
Management and general	908,045	-	908,045
Fundraising	750,022	-	750,022
Total expenses	5,712,372	-	5,712,372
Increase in net assets without donor restrictions from operating activities	2,031	-	2,031
Non-operating			
Investment income, net of investment expenses	336,294	3,101	339,395
Gain on investments	2,380,245	21,948	2,402,193
Net assets released from restrictions	(982,464)	(17,536)	(1,000,000)
Total non-operating revenues	1,734,075	7,513	1,741,588
Total revenues	7,448,478	7,513	7,455,991
CHANGE IN NET ASSETS	1,736,106	7,513	1,743,619
NET ASSETS, BEGINNING OF YEAR	24,848,353	191,917	25,040,270
NET ASSETS, END OF YEAR	$ 26,584,459	$ 199,430	$ 26,783,889

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF CHICAGO

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Operating			
Contributions			
Corporate and individuals	$ 2,745,976	$ -	$ 2,745,976
Grants and program sponsorships	328,229	-	328,229
Special events, net of cost of direct benefit to donors of $326,474	1,505,486	-	1,505,486
Net assets released from restrictions	510,000	-	510,000
Total contributions	5,089,691	-	5,089,691
Other income and losses	44,387	-	44,387
Gain on investments	23,841	-	23,841
Investment income, net of investment expenses	60,286	-	60,286
Total operating revenues	5,218,205	-	5,218,205
EXPENSES			
Program services	3,705,356	-	3,705,356
Management and general	848,495	-	848,495
Fundraising	661,079	-	661,079
Total expenses	5,214,930	-	5,214,930
Increase in net assets without donor restrictions from operating activities	3,275	-	3,275
Non-operating			
Investment income, net of investment expenses	288,883	2,716	291,599
Gain on investments	1,987,757	18,690	2,006,447
Net assets released from restrictions	(501,500)	(8,500)	(510,000)
Total non-operating revenues	1,775,140	12,906	1,788,046
Total revenues	6,993,345	12,906	7,006,251
CHANGE IN NET ASSETS	1,778,415	12,906	1,791,321
NET ASSETS, BEGINNING OF YEAR	23,069,938	179,011	23,248,949
NET ASSETS, END OF YEAR	$ 24,848,353	$ 191,917	$ 25,040,270

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF CHICAGO

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2024

		Supporting Services				
	Program Services	Management and General	Development and Fundraising	Cost of Direct Benefit to Donors	Total Supporting Services	Total
Salary, payroll taxes, and benefits	$ 2,836,247	$ 719,390	$ 627,832	$ -	$ 1,347,222	$ 4,183,469
Rent, heat, and electricity	203,271	48,880	27,103	-	75,983	279,254
Maintenance and cleaning	9,142	1,829	1,219	-	3,048	12,190
Promotional activities and events	4,878	28,589	31,703	342,401	402,693	407,571
Program material and related expenses	741,133	-	-	-	-	741,133
Stationery, supplies, and postage	41,881	3,191	2,368	-	5,559	47,440
Telephone	25,461	4,969	3,395	-	8,364	33,825
Travel and meetings	60,040	5,306	5,768	-	11,074	71,114
Insurance	71,450	19,073	9,527	-	28,600	100,050
Staff conferences	3,370	5,295	1,537	-	6,832	10,202
Professional services	-	49,453	-	-	49,453	49,453
Computer programming	7,909	6,154	1,454	-	7,608	15,517
Scholarships	11,000	-	-	-	-	11,000
Depreciation	38,495	7,699	5,133	-	12,832	51,327
Miscellaneous	28	8,217	32,983	-	41,200	41,228
Subtotal Expenses	4,054,305	908,045	750,022	342,401	2,000,468	6,054,773
Less expenses presented net with revenue	-	-	-	(342,401)	(342,401)	(342,401)
TOTAL FUNCTIONAL EXPENSES	$ 4,054,305	$ 908,045	$ 750,022	$ -	$ 1,658,067	$ 5,712,372

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF CHICAGO

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

		Supporting Services				
	Program Services	Management and General	Development and Fundraising	Cost of Direct Benefit to Donors	Total Supporting Services	Total
Salary, payroll taxes, and benefits	$ 2,561,695	$ 689,607	$ 542,128	$ -	$ 1,231,735	$ 3,793,430
Rent, heat, and electricity	208,951	44,133	27,860	-	71,993	280,944
Maintenance and cleaning	9,254	1,851	1,234	-	3,085	12,339
Promotional activities and events	18,992	5,799	30,148	326,474	362,421	381,413
Program material and related expenses	657,154	-	-	-	-	657,154
Stationery, supplies, and postage	33,939	2,058	1,041	-	3,099	37,038
Telephone	32,617	6,514	4,349	-	10,863	43,480
Travel and meetings	49,652	16,604	9,343	-	25,947	75,599
Insurance	74,430	14,886	9,924	-	24,810	99,240
Staff conferences	15,521	4,760	4,645	-	9,405	24,926
Professional services	-	44,504	-	-	44,504	44,504
Computer programming	6,843	7,391	912	-	8,303	15,146
Scholarships	11,000	-	-	-	-	11,000
Depreciation	25,308	5,061	3,374	-	8,435	33,743
Miscellaneous	-	5,327	26,121	-	31,448	31,448
Subtotal Expenses	3,705,356	848,495	661,079	326,474	1,836,048	5,541,404
Less expenses presented net with revenue	-	-	-	(326,474)	(326,474)	(326,474)
TOTAL FUNCTIONAL EXPENSES	$ 3,705,356	$ 848,495	$ 661,079	$ -	$ 1,509,574	$ 5,214,930

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF CHICAGO

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,743,619	$ 1,791,321
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	51,327	33,743
Gain on investments	(2,439,146)	(2,030,288)
Reduction in carrying amount of operating lease right-of-use asset	269,040	260,799
Changes in operating assets and liabilities		
Pledges receivable	(38,800)	22,250
Prepaid expenses and other	7,650	2,874
Accounts payable	19,079	(5,504)
Accrued expenses	(138,580)	25,943
Deferred revenue	(23,490)	(76,675)
Refundable advance	50,000	-
Awards payable	22,500	20,457
Lease liability	(268,657)	(208,806)
Total adjustments	(2,489,077)	(1,955,207)
Net cash from operating activities	(745,458)	(163,886)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,231,155)	(1,299,411)
Proceeds from sale of investments	3,265,042	980,910
Purchase of equipment	-	(122,575)
Net cash from investing activities	33,887	(441,076)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(711,571)	(604,962)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,413,705	2,018,667
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 702,134	$ 1,413,705

See accompanying notes to financial statements.

1. NATURE OF ORGANIZATION

Junior Achievement of Chicago (the Organization) is a nonprofit organization which educates students, from kindergarten through 12th grade, about workforce readiness, entrepreneurship, and financial literacy through experiential, hands-on programs. Junior Achievement programs help prepare young people for the real world by showing them how to generate wealth and effectively manage it, how to create jobs which make their communities more robust, and how to apply entrepreneurial thinking to the workplace. Students put these lessons into action and learn the value of contributing to their communities. The Organization’s headquarters is in downtown Chicago, Illinois, and services 12 counties in the Chicagoland area including Northwest Indiana. The Organization is affiliated with Junior Achievement USA® (JA USA), the U.S. national organization of all Junior Achievement offices in the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization’s financial statements have been prepared to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions. Net assets and related activity are classified into the following net asset categories, based on the existence or absence of donor-imposed restrictions, as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions, including Board-designated net assets. These include amounts that have been designated by the Board of Directors as an endowment, but which can be released for program operations upon the direction of the Board.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions carry restrictions that expire upon the passing of a prescribed period or upon the occurrence of a stated event as specified by the donor. Also included in this category are net assets subject to donor-directed restrictions to be maintained in perpetuity by the Organization. Items that affect this net asset category include gifts wherein donors stipulate that the corpus be held in perpetuity (primarily gifts for endowment) and only the income be made available for scholarships.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law. Expiration of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets. Contributions received with donor-imposed restrictions which are met within the same year are recorded as revenue without donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies

The Organization follows accounting standards established by the Financial Accounting Standards Board (FASB) as applicable to nonprofit organizations to ensure consistent reporting of financial position, results of activities, and cash flows. References to generally accepted accounting principles in these disclosures are to FASB Accounting Standards Codification (ASC).

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America (USGAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses. It is reasonably possible that the significant estimates used will change within the next year. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Contributions, including unconditional pledges, are recognized in the period received. Conditional pledges with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. As of June 30, 2024, there were conditional contributions of $50,000 included in refundable advances on the Statement of Financial Position that will be recognized when barriers are overcome in fiscal year 2025 by providing career readiness programming in classrooms and awarding scholarships. There were no conditional contributions as of June 30, 2023.

Contributions of assets other than cash are recorded at estimated fair value at date of gift.

Special Events and Deferred Revenue

The Organization holds special events in which a portion of the gross proceeds paid by the participant represents payment of the direct cost of the benefits received by the participant at the event – the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as cost of direct benefit to donors in the statement of activities. The performance obligation is delivery of the event. The event fee is set up by the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Events and Deferred Revenue (Continued)

The Organization presents in its statements the exchange and contribution components of the gross proceeds from special events. Special event fees billed in advance of collections are initially recorded as contract assets (accounts receivable). Special event fees collected by the Organization in advance of its delivery are initially recognized as contract liabilities (deferred revenue) and recognized as special event revenue after delivery of the event. There are no contract assets at June 30, 2024, 2023, or 2022. Contract liabilities at June 30, 2024, 2023 and 2022 were $297,010, $320,500, and 397,175, respectively, and are reported as deferred revenue on the statements of financial position.

Operations

Operating results in the statements of activities reflect all transactions increasing or decreasing net assets without donor restrictions except those items associated primarily with long-term investments.

Operating expenses are presented in the statements of activities on a functional basis. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salary, payroll taxes, and benefits which are allocated on the basis of estimates of time and effort. Rent, heat and electricity, maintenance and cleaning, telephone, insurance, computer programing, and depreciation are allocated by department headcounts.

Contributed Services and Donated Facilities

A substantial number of unpaid volunteers have made contributions of time to assist in development and fundraising activities and program services. These services do not meet the criteria for inclusion in the financial statements due to not requiring specialized skills. Contributed professional services and donated facilities meeting the criteria for inclusion in the financial statements, if any, are recorded at their estimated fair value.

Cash and Cash Equivalents

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains its cash and cash equivalents on deposit with various financial institutions, which at times may exceed federally insured limits. At June 30, 2024 and 2023, the Organization's cash accounts exceeded federally insured limits by approximately $452,500 and $1,160,000, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are carried at fair value. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, net of external and direct internal expenses. Investment return is reflected in the statements of activities as income without donor restrictions, or income with donor restrictions based on the existence and nature of any donor restrictions. Investment return whose restrictions are met in the same reporting period are recorded without donor restrictions.

The Organization’s investment portfolio is subject to various risks, such as market risk. Because of these risks, changes in the fair value of the investments may occur, and such changes could materially affect the Organization’s financial statements.

Pledges Receivable

Pledges receivable consist of amounts unconditionally pledged but not received. An allowance for receivables is provided based upon management’s judgment including such factors as prior collection history, type of contribution and nature of fundraising activity. Management considers the receivables recorded at June 30, 2024 and 2023, to be fully collectible within one year of the statement of financial position date.

Leases

For each contract, including service contracts, the Organization determines if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and, therefore, contains a lease. Leases are then classified as either operating or finance. On the statements of financial position, the right to use an identified asset over the lease term is reported as a right-of-use (ROU) asset and the obligation to make lease payments is reported as a lease liability. ROU assets and lease liabilities are measured based on the present value of the future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for any leases existing at that date). The Organization has elected to use the risk-free rate, the rate on a zero-coupon U.S. Treasury instrument with a comparable term as the lease period, as the discount rate. Lease terms may include options to extend or terminate the lease, which are included in the valuation of the lease if it is reasonably certain the Organization will exercise the option. ROU assets include any initial direct costs incurred and lease payments made at or before commencement date and are reduced by any lease incentives. The Organization has made an election to not recognize a ROU asset or a lease liability for leases with a term of 12 months or less.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment

Equipment purchases are recorded at cost and are capitalized in excess of $500 with a useful life greater than one year. Donated assets are recorded at fair value, as of the date of contribution. The assets are depreciated over the estimated useful lives of the respective assets on a straight-line basis as follows: automobiles (five years) and office equipment and furniture (three-five years).

The cost and related accumulated depreciation are removed from the accounts upon retirement or other disposition. Expenditures for maintenance and repairs are charged to expense as incurred.

Endowments

The Board of Directors has established an endowment fund with the objective of ensuring the longevity of the Organization. The endowment fund includes donor-restricted and Board-designated endowment funds.

Contributions to the endowment fund, investment earnings on endowment fund assets, and any expenses incurred related to the endowment fund are presented as non-operating transactions in the statements of activities in order to segregate the change in the Board-designated endowment funds from the results of general operations.

3. TAX STATUS

According to the Internal Revenue Service, the Organization is considered a subordinate organization of JA USA and is recognized as a 501(c)(3) organization. The Organization is not classified as a private foundation.

The Organization follows the accounting standard on accounting for uncertainty in income taxes, which address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded on the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income. There were no unrecognized tax benefits identified or recorded as liabilities for the reporting periods presented in the financial statements.

The Organization annually files Form 990 in the U.S. federal jurisdiction and in the states of Illinois and Indiana. The Organization is no longer subject to U.S. federal or state examinations of tax authorities for tax years prior to 2021.

4. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year at June 30, 2024 and 2023 are as follows:

	2024	2023
Cash and cash equivalents	$ 702,134	$ 1,413,705
Pledges receivable	145,550	106,750
Investments held for operations	3,570,516	2,934,993
TOTAL	$ 4,418,200	$ 4,455,448

Endowment funds consist of donor-restricted endowments of $199,430 and $191,917 at June 30, 2024 and 2023, respectively, and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purpose. Donor-restricted endowment funds are not available for general expenditure.

The Organization's Board-designated endowment of $22,547,482 and $20,813,407 at June 30, 2024 and 2023, respectively, is subject to an annual Board approved spending formula. Although the Organization does not intend to spend from the Board-designated endowment, other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation, these amounts could be made available if necessary.

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

5. FAIR VALUE MEASUREMENTS

USGAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. USGAAP requires the Organization to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

5. FAIR VALUE MEASUREMENTS (Continued)

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3, but are separately reported.

For the years ended June 30, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent. In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to the Topic.

Investments in money market funds, fixed income and equity securities: Valued at the last reported sales price on the day of valuation on a national securities exchange; other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price.

Investments in alternative investments: The fair value of certain funds are based upon the net asset value (NAV) of units of the fund. The NAV, as provided by the investment manager, is used as a practical expedient to estimate fair value. The NAV is based upon the fair value of the underlying investments comprising the fund less its liabilities.

Fair value measurements recorded on a recurring basis at June 30, 2024 were as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 3,379,271	$ -	$ -	$ 3,379,271
Fixed income				
Government agency obligations	777,571	-	-	777,571
Corporate debt securities	-	1,311,681	-	1,311,681
Equity securities	19,112,285	-	-	19,112,285
TOTAL INVESTMENTS AT FAIR VALUE	$ 23,269,127	$ 1,311,681	$ -	24,580,808
Alternative investments				
Real estate income trust*				1,736,620
TOTAL INVESTMENTS				$ 26,317,428

*Investments held at NAV

5. FAIR VALUE MEASUREMENTS (Continued)

Fair value measurements recorded on a recurring basis at June 30, 2023 were as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,345,103	$ -	$ -	$ 1,345,103
Fixed income				
Government agency obligations	1,974,008	-	-	1,974,008
Corporate debt securities	-	1,356,006	-	1,356,006
Equity securities	16,978,364	-	-	16,978,364
TOTAL FAIR VALUE MEASUREMENTS	$ 20,297,475	$ 1,356,006	$ -	21,653,481
Alternative investments				
Real estate income trust*				2,286,836
TOTAL INVESTMENTS				$ 23,940,317

*Investments held at NAV

Investments measured using NAVs are not traded in an active market and are not included in Level 1, 2, or 3, but are separately reported.

The following table presents the category, fair value, redemption frequency, and redemption notice period for investments, the fair values of which are estimated using NAV per share.

Investment	2024 Fair Value	2023 Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real estate income trust	$ 1,736,620	$ 2,286,836	$ -	Monthly	N/A

The real estate income trust includes investments in primarily stabilized income-oriented commercial real estate in the United States. To a lesser extent the real estate income trust invests in real estate-related securities to provide current income and a source of liquidity for share repurchase plans, cash management, and other purposes.

6. OPERATING LEASES

The Organization enters into contracts to lease real estate and various equipment. The Organization's most significant lease is an office lease with a lease term expiring during 2027. Under FASB ASC Topic 842, the lease term at the lease commencement date is determined based on the noncancellable period for which the Organization has the right to use the underlying asset, together with any periods covered by an option to extend the lease if the Organization is reasonably certain to exercise that option, and periods covered by an option to extend (or not to terminate) the lease in which the exercise of the option is controlled by the lessor. The Organization considered a number of factors when evaluating whether the options in its lease contracts were reasonably certain of exercise, such as length of time before option exercise, expected value of the leased asset at the end of the initial lease term, importance of the lease to overall operations, costs to negotiate a new lease, and any contractual or economic penalties.

FASB ASC Topic 842 includes a number of reassessment and re-measurement requirements for leases based on certain triggering events or conditions, including whether a contract is or contains a lease, assessment of lease term and purchase options, measurement of lease payments, assessment of lease classification and assessment of the applicable discount rate. The Organization reviewed the reassessment and re-measurement requirements and did not identify any events or conditions during 2024 that required a reassessment or re-measurement. In addition, there were no impairment indicators identified during 2024 that required an impairment test for the Organization's ROU assets or other long lived assets in accordance with ASC 360-10.

The components of lease expense and supplemental cash flow information related to leases for 2024 and 2023, are as follows:

	2024	2023
Operating lease costs	$ 298,581	$ 298,581

Lease related information as of and for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
Cash paid for amounts included in the measurement of operating lease liabilities		
Operating cash flows from operating leases	$ 268,902	$ 286,568
Weighted-average remaining lease term on operating leases	31 months	43 months
Weighted-average discount rate for operating leases	3.26%	3.26%

6. OPERATING LEASES (Continued)

Future undiscounted cash flows for each of the next four years ending June 30 and a reconciliation to the lease liability on the statement of financial position are as follows:

Years Ending June 30,		
2025	$	289,659
2026		314,235
2027		207,649
2028 and thereafter		-
Subtotal		811,543
Less present value discount		(32,594)
TOTAL	$	778,949

7. RETIREMENT PLANS

A Safe Harbor 401(k) plan was implemented on August 1, 2019. Employees are eligible to participate in the plan after completing one year of service and during this period completing at least 1,000 hours. The Organization made a non-discretionary non-matching contribution to the plan on behalf of all eligible employees equal to 3% of their eligible pay from August 1, 2019 through December 31, 2020. Effective January 1, 2021, the Organization made a non-discretionary non-matching contribution to the plan on behalf of all eligible employees equal to 5% of their eligible pay. During the years ended June 30, 2024 and 2023, the Organization contributed $138,050 and $109,987, respectively, to the 401(k) plan.

The Organization also maintains two other defined contribution employee benefit plans: a 401(a) plan, to which it may make contributions, and a 403(b) plan, to which it, as well as the employee, may make contributions. During the years ended June 30, 2024 and 2023, the Organization did not contribute to the 401(a) plan or 403(b) plan.

The Organization has a nonqualified 457(b) deferred compensation plan for its prior president. Contributions to the plan are invested in equity securities. The Organization did not make contributions during fiscal years 2024 and 2023. At June 30, 2024 and 2023, $143,970 and $227,526, respectively, were accrued as a liability and set aside in a separate account for this benefit. The assets held in this account are the property of the Organization and are subject to the claims of the general creditors.

8. PROGRAM MATERIAL AND RELATED EXPENSES

The Organization incurred approximately $741,133 and $657,200 of participation fees and program material expenses from JA USA during the years ended June 30, 2024 and 2023, respectively.

9. ENDOWMENT FUNDS

The Organization maintains various donor-restricted endowment funds, which are not maintained in separate investment accounts but are included within the Organization's aggregate investment portfolio. Investment income from the endowment funds are to be utilized in accordance with donor restrictions or are available for various Organizational purposes.

The Board of Trustees of the Organization (the Board) has considered the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and has elected to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

The Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The purpose of the endowment funds is to facilitate donors' desires to make substantial long-term gifts to the Organization. In so doing, the endowment funds will provide a secure, long-term source of funds to: (a) fund programs, and support other donor-requested expenditures, or (b) support the operational expenses of the Organization as deemed appropriate.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Organization is required to retain as a fund of perpetual duration pursuant to donor stipulation or Illinois UPMIFA. Such endowments are often referred to as "underwater" endowments. There were no such deficiencies at June 30, 2024 or 2023.

The Organization has interpreted Illinois UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

Return objectives and risk parameters: 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. Endowment assets include those assets of donor-restricted funds as well as Board-designated funds. Under the investment policy, as approved by the Board of Directors, 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.

9. ENDOWMENT FUNDS (Continued)

Strategies employed for achieving objectives: To satisfy 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 (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity- based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy: The Board of Directors budgets annually a percentage of the balance of the endowment fund to be used for program operations. The Board of Directors appropriated $989,000 and $501,500 from the endowment fund to operations for the years ended June 30, 2024 and 2023, respectively.

The Organization endowment net asset composition by type of fund is as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Board-designated (without donor restrictions)	$ 22,547,482	$ 20,813,407
Donor-restricted (with donor restrictions)	199,430	191,917
TOTAL	$ 22,746,912	$ 21,005,324

The changes in endowment funds were as follows for the years ended June 30, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
BALANCE, BEGINNING OF YEAR	$ 20,813,407	$ 191,917	$ 21,005,324
Investment return			
Investment income, net of fees	336,294	3,101	339,395
Net realized and unrealized gains	2,380,245	21,948	2,402,193
Appropriation of endowment net assets for expenditures	(982,464)	(17,536)	(1,000,000)
BALANCE, END OF YEAR	$ 22,547,482	$ 199,430	$ 22,746,912

9. ENDOWMENT FUNDS (Continued)

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
BALANCE, BEGINNING OF YEAR	$ 19,038,267	$ 179,011	$ 19,217,278
Investment return			
Investment income, net of fees	288,883	2,716	291,599
Net realized and unrealized gains	1,987,757	18,690	2,006,447
Appropriation of endowment net assets for expenditures	(501,500)	(8,500)	(510,000)
BALANCE, END OF YEAR	$ 20,813,407	$ 191,917	$ 21,005,324

The Board-designated endowment is included in net assets without restrictions.

The purpose of the Organization's endowment fund is to provide income and cash flows for carrying out the mission of the Organization. The primary objective of the investments is to preserve and enhance the real purchasing power of the fund's assets, after all withdrawals under the Organization's spending policy, on a continuous basis. At June 30, 2024, the asset allocation of the endowment fund is approximately 74% equity securities, 6% fixed income securities, 7% alternative investments, and 13% money market funds. At June 30, 2023, the asset allocation of the endowment fund is approximately 71% equity securities, 12% fixed income securities, 11% alternative investments, and 6% money market funds.

10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 25, 2024, which was the date that these financial statements were available for issuance and determined that there were no significant nonrecognized subsequent events through that date.