JUNIOR ACHIEVEMENT OF
GREATER ST. LOUIS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022

Contents

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
Junior Achievement of Greater St. Louis, Inc.
St. Louis, Missouri

Opinion

We have audited the financial statements of Junior Achievement of Greater St. Louis, Inc., a not-for-profit organization, which comprise the statement of financial position as of June 30, 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Junior Achievement of Greater St. Louis, Inc. as of June 30, 2022, 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 (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 Greater St. Louis, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Junior Achievement of Greater St. Louis, Inc.'s ability to continue as a going concern for one year after the date that the financial statements 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 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 financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Junior Achievement of Greater St. Louis, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Junior Achievement of Greater St. Louis, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report On Summarized Comparative Information

We have previously audited Junior Achievement of Greater St. Louis, Inc.'s **June 30, 2021** financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended **June 30, 2021** is consistent, in all material respects, with the audited financial statements from which it has been derived.

RubinBrown LLP

October 21, 2022

JUNIOR ACHIEVEMENT OF GREATER ST. LOUIS, INC.

STATEMENT OF FINANCIAL POSITION

Assets

	June 30, 2022	June 30, 2021
Current Assets		
Cash and cash equivalents	$ 892,714	$ 968,783
Restricted cash - agency funds	43,774	42,697
Investments (Note 3)	2,001,888	1,903,939
Accounts receivable (Note 2)	128,307	21,060
Pledges receivable, net (Notes 5 and 7)	432,056	551,056
Other current assets	7,819	9,577
Total Current Assets	3,506,558	3,497,112
Property And Equipment		
Land and improvements	683,305	683,305
Building	6,300,480	6,300,480
Equipment	991,811	986,570
	7,975,596	7,970,355
Less: Accumulated depreciation	(3,862,807)	(3,607,388)
Property And Equipment, Net	4,112,789	4,362,967
Long-Term Pledges Receivable, Net (Notes 5 And 7)	—	192,000
Investments Restricted For Endowment (Notes 3 And 6)	84,957	84,957
Total Assets	$ 7,704,304	$ 8,137,036

Liabilities And Net Assets

	2022	2021
Current Liabilities		
Accounts payable and accrued expenses	$ 17,085	$ 6,362
Accrued salaries and vacation	291,482	207,806
Agency funds	46,751	42,697
Deferred revenue (Note 7)	111,905	89,495
Debt - short term (Note 9)	94,407	88,538
Total Current Liabilities	561,630	434,898
Long-Term Liabilities		
Debt - long term (Note 9)	802,956	1,003,368
Total Liabilities	1,364,586	1,438,266
Net Assets		
Without donor restrictions (Note 6)	6,198,634	6,520,610
With donor restrictions (Note 6)	141,084	178,160
Total Net Assets	6,339,718	6,698,770
Total Liabilities And Net Assets	$ 7,704,304	$ 8,137,036

JUNIOR ACHIEVEMENT OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Years Ended June 30, 2022 And 2021

	2022 Without Donor Restrictions	2022 With Donor Restrictions	2022 Total	2021 Without Donor Restrictions	2021 With Donor Restrictions	2021 Total
Support And Revenues						
Support						
Contributions (Note 7):						
Corporate	$ 418,373	$ 667	$ 419,040	$ 465,397	$ 50,000	$ 515,397
Individual	203,899	—	203,899	218,864	—	218,864
Foundations	335,600	40,000	375,600	284,075	—	284,075
Donated supplies, equipment and services (Note 7)	19,865	—	19,865	13,466	—	13,466
Net assets released from restrictions (Note 6)	93,203	(93,203)	—	318,133	(318,133)	—
Total Support	1,070,940	(52,536)	1,018,404	1,299,935	(268,133)	1,031,802
Revenues						
Capstone Programs sponsorships (Note 7)	214,000	—	214,000	209,000	—	209,000
Capstone Programs student fees	167,157	—	167,157	33,468	—	33,468
Special event revenue (Note 7):						
Golf Classic	193,840	13,200	207,040	222,233	37,370	259,603
Bowl-A-Thon	315,567	—	315,567	160,894	—	160,894
Hall of Fame	1,005,517	—	1,005,517	657,229	—	657,229
Other special events	58,120	2,260	60,380	4,984	—	4,984
Less: Costs of direct benefits to donors	(179,332)	—	(179,332)	(107,488)	—	(107,488)
Net revenues from special events	1,393,712	15,460	1,409,172	937,852	37,370	975,222
Achiever activities	616	—	616	418	—	418
Interest and dividend income	42,076	689	42,765	34,308	615	34,923
Net realized gains (losses) on investments	(1,936)	315	(1,621)	—	2,163	2,163
Net unrealized gains (losses) on investments	(342,579)	(1,004)	(343,583)	290,336	(2,778)	287,558
Forgiveness of Paycheck Protection Program loan - gain on extinguishment (Note 9)	456,013	—	456,013	445,000	—	445,000
Employee retention credit (Note 2)	130,957	—	130,957	—	—	—
Miscellaneous income	8,147	—	8,147	133	—	133
Total Revenues	2,068,163	15,460	2,083,623	1,950,515	37,370	1,987,885
Total Support And Revenues	3,139,103	(37,076)	3,102,027	3,250,450	(230,763)	3,019,687
Expenses						
Program Services:						
School programs	1,790,140	—	1,790,140	1,566,926	—	1,566,926
Capstone programs	817,217	—	817,217	650,899	—	650,899
Scholarship expenditures	1,145	—	1,145	1,500	—	1,500
Total Program Services	2,608,502	—	2,608,502	2,219,325	—	2,219,325
Supporting Services:						
Management and general administrative	513,219	—	513,219	444,449	—	444,449
Fundraising	339,358	—	339,358	359,721	—	359,721
Total Supporting Services	852,577	—	852,577	804,170	—	804,170
Total Expenses	3,461,079	—	3,461,079	3,023,495	—	3,023,495
Increase (Decrease) In Net Assets	(321,976)	(37,076)	(359,052)	226,955	(230,763)	(3,808)
Net Assets - Beginning Of Year	6,520,610	178,160	6,698,770	6,293,655	408,923	6,702,578
Net Assets - End Of Year	$ 6,198,634	$ 141,084	$ 6,339,718	$ 6,520,610	$ 178,160	$ 6,698,770

See the notes to financial statements.

JUNIOR ACHIEVEMENT OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2022
(With Summarized Comparative Information For The Year Ended June 30, 2021)

	Program Services				Supporting Services				
	School Programs	Capstone Programs	Scholarship Expenditures	Total	Management And General Administrative	Fundraising	Total	2022 Total	2021 Total
Salaries	$ 1,013,372	$ 235,304	$ —	$ 1,248,676	$ 301,387	$ 244,177	$ 545,564	$ 1,794,240	$ 1,584,653
Payroll taxes	64,695	15,264	—	79,959	18,235	15,207	33,442	113,401	110,531
Pension expense (Note 8)	38,097	8,988	—	47,085	10,738	8,955	19,693	66,778	65,725
Group health insurance (Note 7)	122,086	43,751	—	165,837	34,429	28,688	63,117	228,954	247,299
Bad debt expense	—	—	—	—	21,694	—	21,694	21,694	2,352
Donated service expense	—	—	—	—	1,000	5,000	6,000	6,000	13,466
Information technology	14,555	13,811	—	28,366	4,105	3,420	7,525	35,891	30,582
Insurance	6,936	14,478	—	21,414	1,956	1,630	3,586	25,000	24,884
Interest and bank fees (Note 9)	—	—	—	—	42,784	—	42,784	42,784	30,957
Loss on disposal of property and equipment	193	685	—	878	55	45	100	978	—
Miscellaneous	—	—	—	—	1,091	—	1,091	1,091	2,299
Postage and delivery	2,257	—	—	2,257	636	530	1,166	3,423	3,045
Printers and copiers	6,963	11,496	—	18,459	1,964	1,636	3,600	22,059	23,452
Professional fees	—	351	—	351	40,425	—	40,425	40,776	43,101
Program expense and support (Note 7)	404,954	156,935	—	561,889	—	—	—	561,889	428,312
Promotion and awareness	—	—	—	—	—	2,806	2,806	2,806	2,144
Repairs and maintenance	15,444	67,396	—	82,840	4,355	3,629	7,984	90,824	30,333
Scholarship expense	—	—	1,145	1,145	—	—	—	1,145	1,500
Staff development	5,328	—	—	5,328	1,503	1,252	2,755	8,083	2,227
Staff expenses	8,218	138	—	8,356	2,317	1,931	4,248	12,604	5,941
Supplies	2,308	939	—	3,247	650	541	1,191	4,438	4,397
Telephone	14,614	4,689	—	19,303	4,121	3,434	7,555	26,858	24,332
Utilities	18,096	58,847	—	76,943	5,103	4,252	9,355	86,298	78,674
Total Expenses Before Depreciation	1,738,116	633,072	1,145	2,372,333	498,548	327,133	825,681	3,198,014	2,760,206
Depreciation	52,024	184,145	—	236,169	14,671	12,225	26,896	263,065	263,289
Total Expenses	$ 1,790,140	$ 817,217	$ 1,145	$ 2,608,502	$ 513,219	$ 339,358	$ 852,577	$ 3,461,079	$ 3,023,495

JUNIOR ACHIEVEMENT OF GREATER ST. LOUIS, INC.

STATEMENT OF CASH FLOWS

	For The Years Ended June 30, 2022	2021
Cash Flows From Operating Activities		
Change in net assets	$ (359,052)	$ (3,808)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	263,065	263,289
Realized and unrealized (gains) losses on investments	343,268	(289,721)
Loss on disposal of property and equipment	978	—
Paycheck Protection Program loan forgiveness	(456,013)	(445,000)
In-kind donations of property and equipment	(13,865)	—
Changes in assets and liabilities:		
Accounts receivable	(107,247)	(18,560)
Pledges receivable	311,000	575,702
Other current assets	1,758	12,402
Accounts payable	10,723	1,010
Accrued salaries and vacation	83,676	(25,110)
Agency funds	4,054	42,697
Deferred revenue	22,410	(11,870)
Net Cash Provided By Operating Activities	104,755	101,031
Cash Flows From Investing Activities		
Proceeds from sale of investments	1,170	2,163
Purchases of investments	(442,387)	(235,611)
Net Cash Used In Investing Activities	(441,217)	(233,448)
Cash Flows From Financing Activities		
Proceeds from debt	350,000	606,013
Repayments on debt	(88,530)	(14,107)
Net Cash Provided By Financing Activities	261,470	591,906
Net Increase (Decrease) In Cash, Restricted Cash And Cash Equivalents	(74,992)	459,489
Cash, Restricted Cash And Cash Equivalents - Beginning Of Year	1,011,480	551,991
Cash, Restricted Cash And Cash Equivalents - End Of Year	$ 936,488	$ 1,011,480
Supplemental Cash Flow Information		
Line of credit modified to term loan (Note 9)	$ —	$ 500,000
Donated supplies and services	6,000	13,466
Interest paid	28,670	21,207

1. Operations

Junior Achievement of Greater St. Louis, Inc. (the Organization) is a not-for-profit corporation that provides programs for students in kindergarten through high school in 144 counties in the states of Missouri, Illinois, and Indiana. The Organization's mission is to provide business, economics and entrepreneurship programs through a dedicated volunteer network. Programs are offered in-school, after-school and on-site at the Organization's JA Dennis and Judy Jones Free Enterprise Center (FEC). Programs focus on seven key components: business, citizenship, economics, ethics/character, financial literacy, entrepreneurship and career development. The Organization is a licensee of Junior Achievement USA, the national entity.

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The financial statements of the Organization have been prepared on the accrual basis.

Basis Of Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board for not-for-profit organizations by presenting assets and liabilities within similar groups and classifying them in a way that provides relevant information about the interrelationships, liquidity, and financial flexibility. As a result, the Organization is required to report information regarding its financial position and activities according to the following classes of net assets:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but expenses are not presented by all functional and natural categories. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

New Accounting Standard Implementation

Effective July 1, 2021, the Organization adopted Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07). ASU 2020-07 requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. The adoption of ASU 2020-07 under the retrospective method did not materially impact the Organization's financial statements as nonfinancial assets contributed during both 2022 and 2021 were not material.

Estimates And Assumptions

The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash, Restricted Cash And Cash Equivalents

The Organization considers all demand, highly liquid, short-term investments with original or remaining maturities of three months or less to be cash equivalents.

The Organization invests its excess cash in debt instruments and securities with financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that maintain safety and liquidity. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) insurable limits. As of June 30, 2022, the uninsured portion of the cash balance was approximately $486,000.

The following is a reconciliation between cash, restricted cash and cash equivalents reported within the statement of financial position and the total cash, restricted cash and cash equivalents as shown in the statement of cash flows as of June 30:

	2022	2021
Cash and cash equivalents	$ 892,714	$ 968,783
Restricted cash - agency funds	43,774	42,697
Total cash and restricted cash	$ 936,488	$ 1,011,480

Restricted cash is restricted for Junior Achievement executive group that is currently held by the Organization but will transfer to a different Junior Achievement in the future.

Investments

Investments are reported at fair value with the exception of the certificate of deposit, which is valued at cost, which approximates fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received, which are considered a fair measure of the value at the date of donation. Gains or losses on sales of investments are determined on a specific cost identification method. Unrealized gains and losses are determined based on year-end market value fluctuations.

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

Pledges Receivable

Unconditional pledges receivable in future periods are recognized as support in the period the pledges are received. Conditional pledges, which consist of those pledges with a measurable performance or other barrier and a right of return, are recognized as support when the conditions upon which they depend are substantially met. The Organization provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of all pledges. The estimated losses are based on historical collection experience, as well as a review of the current status of the existing pledges receivable. Pledges receivable that are expected to be collected after one year are discounted at a rate based on consideration of risk-free Treasury rates and the Organization’s borrowing rate.

Property And Equipment

Property and equipment are carried at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method. Additions exceeding $1,000 are capitalized. The assets are depreciated over the following periods:

Land improvements	15 years
Building	30 - 40 years
Equipment	5 - 7 years

Paycheck Protection Program Loans

The Organization received two loans that were part of the Paycheck Protection Program (PPP) established under the Coronavirus Aid Relief, and Economic Security Act (CARES Act) and administered by the U.S. Small Business Administration (SBA). In accordance with the requirements of the CARES Act, the Organization used the proceeds from the loans exclusively for qualified expenses under the PPP, mainly payroll costs, as further detailed in the CARES Act and applicable guidance issued by the SBA. The Organization considered the PPP loans to be debt, subject to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 470, *Debt*. The Organization did not impute additional interest at a market rate as transactions where interest rates are prescribed by governmental agencies are not subject to the accounting guidance on imputing interest.

The loans remained recorded as a liability until either (1) the loan was, in part or wholly, forgiven and the Organization was legally released or (2) the Organization paid off the loan. Once the loan was, in part or wholly, forgiven and legal release was received, the Organization reduced the liability by the amount forgiven and recorded a gain on extinguishment. See Note 9 for additional disclosures regarding the forgiveness of the first PPP loan in 2021 and the second PPP loan in 2022.

Revenue Recognition And Deferred Revenue

Disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue streams are as following:

Capstone Programs Sponsorships

The Organization sells sponsorships to various local corporations and organizations for location/space in the FEC. The Sponsorship fees are outlined in multi-year, cancellable contracts and are accounted for as exchange transactions. As such, revenue is recognized over the period the activity is performed. Payments received in the current year for future Capstone Program sponsorships are recorded as deferred revenue and are recognized as revenue in the appropriate future year. The opening balance of deferred revenue for the year ended June 30, 2022 and 2021 is $75,665 and $91,165, respectively. The ending balance of deferred revenue for the year ended June 30, 2022 and 2021 is $108,665 and $75,665, respectively.

Future commitments for sponsorships related to the Capstone Programs that have not met the requirements to be recorded as revenue at June 30, 2022 and 2021 approximate $291,000 and $440,000, respectively.

Capstone Programs Student Fees

Student fees are charged for access to the Organization's support services, which include admittance into the facility, access to technology resources and access to the program activities in the FEC. These fees are recognized over time as the benefits are simultaneously provided and consumed by the students, which is typically over the day of the event. There are no student fee contract assets or liabilities at June 30, 2022 or 2021.

Scholarships

The Organization provides scholarships for program student fees.

Overall economic conditions can impact the nature, timing and uncertainty of the Organization's revenues and cash flows.

Support With And Without Donor Restrictions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is received. The Organization has adopted the policy of reporting net assets released from restrictions upon completion of donor purpose restrictions, regardless of whether the related cash has been received.

Employee Retention Credit

The CARES Act provided an employee retention credit, which is a refundable tax credit against certain employment taxes of up to $5,000 per employee for eligible employers. The credit is equal to 50% of qualified wages paid to employees during a quarter, capped at $10,000 of qualified wages through December 31, 2020.

The Consolidated Appropriations Act of 2021 extended and expanded the availability of the employee retention credit through December 31, 2021. However, certain provisions apply only after December 31, 2020. This new legislation amends the employee retention credit to be equal to 70% of qualified wages paid to employees after December 31, 2020, and before December 31, 2021. The Infrastructure Investment and Jobs Act, which was signed in November 2021, changed the ending date of availability of the employee retention credit for the Organization to September 30, 2021. During 2021, a maximum of $10,000 in qualified wages for each employee per calendar quarter may be counted in determining the 70% credit. Therefore, the maximum tax credit that can be claimed by an eligible employer in 2021 is $7,000 per employee per calendar quarter. The Organization recognizes the employee retention credit when the conditions for earning it are substantially met.

The Organization qualified for the credit beginning in December 2020 and received additional credits for qualified wages through March 31, 2021. During the year ended June 30, 2022, revenue in the amount of $130,957 related to the employee retention credit was recognized on the statement of activities. At June 30, 2022 $111,865 remained outstanding and is included in accounts receivable on the statement of financial position. This balance was received by the Organization in July 2022.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements:

School Programs

School programs include:

The elementary school program is an economic awareness program designed to build economic literacy and show students the relationship between education and success in the workplace.

The middle grades program builds on concepts the students learned in the Organization's elementary school program. The program helps teens prepare for their educational and professional future. The program supplements standard social studies curricula and develops communication skills that are essential to success in the business world. Once a week for six weeks, business volunteers serve as role models in leading discussions and activities, as well as enhancing the program with their own experiences and business knowledge.

The high school program includes in-school and after-school curriculum that focuses on analyzing and exploring personal opportunities. Fundamental concepts include micro-, macro- and international economics. This program utilizes volunteer business people to make economic concepts relevant in order to become successful in the workplace and life.

Capstone Programs

The Capstone Programs provide learning experiences to inspire and enable young people to value free enterprise and to understand business and economics to improve the quality of their lives. Through two experiential learning areas (JA BizTown and JA Finance Park) located within the FEC, students are given the opportunity to gain practical, hands-on experience with the free enterprise system.

Management And General Administrative

Includes the functions necessary to provide support programs; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Organization's Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Fundraising

Includes the functions necessary to advance the mission of the Organization; and to provide the structure to encourage financial support from individuals, as well as from auxiliary groups, corporations and foundations, via direct gifts and fundraising events.

Donated Supplies, Equipment And Services

Various supplies, equipment and services are donated to the Organization. Donated supplies, equipment and those donated services that meet the criteria for recognition under generally accepted accounting principles and whose value is greater than $1,000 are recorded at fair value at the date of the donation. A substantial number of other volunteers have also donated a significant amount of their time to the Organization's programs; however, such donated services have not been recorded because they do not meet the criteria for recognition.

Expense Allocation

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as specific to that functional area.

Expenses that benefit multiple functional or program areas have been allocated across programs and other supporting services based on the following methods:

Natural Category	Method
Salaries	Time study
Payroll taxes and benefits	Salary ratio
Information technology	Direct charge, square footage and salary ratio
Insurance	Square footage and time study
Postage and delivery	Square footage and time study
Printers and copiers	Square footage and time study
Repairs and maintenance	Square footage and time study
Supplies	Square footage and time study
Telephone	Square footage and time study
Utilities	Square footage and time study
Depreciation	Direct charge, square footage and salary ratio

Income Taxes

The Organization constitutes a qualified not-for-profit organization and is, therefore, exempt from federal income taxes on related, exempt income under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain 2021 balances have been reclassified, where appropriate, to conform with the 2022 financial statement presentation.

Subsequent Events

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

3. Investments

Investments consist of the following at June 30:

	2022	2021
Equity stock market index fund	$ 1,201,252	$ 1,138,527
Intermediate-term bond fund	794,394	754,188
Certificate of deposit	62,289	62,257
Other	28,910	33,924
	$ 2,086,845	$ 1,988,896

These amounts are reported in the statement of financial position as follows:

	2022	2021
Investments	$ 2,001,888	$ 1,903,939
Assets restricted for permanent endowment	84,957	84,957
	$ 2,086,845	$ 1,988,896

4. Fair Value Measurements

Accounting rules in fair value measurements establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The methods described may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair values of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at June 30, 2022 or 2021.

The Organization's investments are measured at fair value, with the exception of the certificate of deposit, and all are considered Level 1 as of June 30, 2022 and 2021.

5. Pledges Receivable

Pledges receivable consist of the following at June 30:

	2022			2021
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Amounts collectible in less than one year	$ 438,496	$ 16,797	$ 455,293	$ 553,225
One to five years	—	—	—	200,000
	438,496	16,797	455,293	753,225
Less: Allowance for doubtful accounts	23,237	—	23,237	2,169
Less: Discount on pledges receivable collectible after one year	—	—	—	8,000
	$ 415,259	$ 16,797	$ 432,056	$ 743,056

At June 30, 2022, there are no pledges receivable collectible after one year. At June 30, 2021, pledges receivable collectible after one year were discounted at a rate of 4%.

At June 30, 2022 and 2021, 44% and 80%, respectively, of pledges receivable are from one donor. For the years ended June 30, 2022 and 2021, there are no significant concentrations of contributions.

6. Net Assets And Endowment Fund

Purpose and time restricted net assets consist of the following donor-restricted amounts at June 30:

	2022	2021
Operations	$ 56,127	$ 93,203

Net assets released from donor-imposed restrictions are as follows:

	2022	2021
Operations	$ 93,203	$ 318,133

Perpetual in nature net assets consist of the following:

	2022	2021
Scholarship endowment	$ 62,000	$ 62,000
General endowment	22,957	22,957
	$ 84,957	$ 84,957

Total net assets with donor restrictions are comprised of the following:

	2022	2021
Purpose and time restrictions	$ 56,127	$ 93,203
Perpetual in nature	84,957	84,957
	$ 141,084	$ 178,160

Donor-Restricted Endowment Funds

The Organization has two donor-restricted endowment funds. Income from the scholarship endowment is used each year to fund scholarships, and income from the general endowment is used to fund general operations each year.

Board-Designated Endowment Fund

The Organization has one endowment fund (The Endowment Fund at Junior Achievement of Greater St. Louis) that is designated by the Board of Directors. This endowment fund is intended to provide annual operating support to the Organization.

Preservation Of Original Gifts

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations 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. Included in the donor-restricted endowment fund are unappropriated earnings that will remain until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the funds;
(2) The purposes of the Organization and the donor-restricted endowment funds;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and appreciation of investments;
(6) Other resources of the Organization; and
(7) The investment policies of the Organization.

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of those contributions or "historic dollar value." There are no deficiencies at June 30, 2022 or 2021.

Return Objectives And Risk Parameters

The Organization has adopted investment and spending policies for the 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, unless otherwise stipulated by the donor. The endowment's long-term investment objective is to achieve a total annualized return (aggregate return from interest, dividends and capital appreciation), consistent with acceptable risk levels, that will meet or exceed the sum of the endowment's spending rate, inflation and fees. To achieve the endowment objective, the endowment assets are invested to general appreciation and/or dividend and interest income, and they are diversified among asset classes approved by the Board of Directors.

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 And How The Investment Objectives Relate To It

The Organization records earnings from its endowments as with donor restrictions until such time as they are appropriated and released to net assets without donor restrictions when market conditions allow. As of June 30, 2022 and 2021, all accumulated earnings on the endowments have been appropriated. The Organization has a policy that permits prudent spending from underwater endowments, unless otherwise precluded by donor intent or relevant laws and regulations.

Endowment Asset Composition By Type Of Fund As Of June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ —	$ 84,957	$ 84,957
Board-designated endowment funds	1,675,774	—	1,675,774
	$ 1,675,774	$ 84,957	$ 1,760,731

Endowment Asset Composition By Type Of Fund As Of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ —	$ 84,957	$ 84,957
Board-designated endowment funds	1,521,073	—	1,521,073
	$ 1,521,073	$ 84,957	$ 1,606,030

Changes In Endowment Assets For The Fiscal Year Ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets - beginning of the year	$ 1,521,073	$ 84,957	$ 1,606,030
Investment return	(245,299)	—	(245,299)
Proceeds from contributions designated for investment in endowment	400,000	—	400,000
Endowment assets - end of the year	$ 1,675,774	$ 84,957	$ 1,760,731

Changes In Endowment Assets For The Fiscal Year Ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets - beginning of the year	$ 1,066,754	$ 84,957	$ 1,151,711
Investment return	254,319	—	254,319
Proceeds from contributions designated for investment in endowment	400,000	—	400,000
Transfers to board-designated endowment funds from operating	(200,000)	—	(200,000)
Endowment assets - end of the year	$ 1,521,073	$ 84,957	$ 1,606,030

At June 30, 2022 and 2021, pledges receivable of $200,000 and $592,000, respectively, are intended to be added to the Board-designated endowment and invested in accordance with the Organization's endowment fund policy, as the cash is collected.

At June 30, 2022, board-designated endowment net assets are comprised of $1,625,774 in investments and $50,000 in cash (sums to $1,675,774, as noted on page 20) and $200,000 of pledges for a total balance of $1,875,774. At June 30, 2021, board-designated endowment net assets are comprised of $1,471,073 in investments and $50,000 in cash (sums to $1,521,073, as noted above) and $592,000 of discounted pledges for a total balance of $2,113,073.

7. Related Party Transactions

In accordance with license fee and Capstone per-student fee arrangements with Junior Achievement USA, annual program support fees are charged to the Organization. These fees are calculated according to specific formulas as outlined in the fee agreements. The license fee in any given year is paid over ten monthly installments based on the total reported revenue of the previous year. The Organization also purchases substantially all of its program materials and supplies from Junior Achievement USA and Junior Achievement Supply Company (JASCO), a division of Junior Achievement USA. The license fee, program material and supplies are included in program expense and support on the statement of functional expenses. Additionally, the Organization obtains a portion of its liability insurance and all of its medical insurance through Junior Achievement USA. Total payments to these affiliates for these purchases are $670,743 and $657,313 during fiscal years 2022 and 2021, respectively. As of June 30, 2022 and 2021, there are no amounts due to Junior Achievement USA.

For the years ended June 30, 2022 and 2021, the Organization received contributions, special event revenue, and various donated supplies, equipment and services of $1,071,511 and $1,007,418, respectively, for operations from various members of the Board of Directors and their related companies. As of June 30, 2022 and 2021, outstanding pledges of $99,650 and $91,625, respectively, are due from these parties.

In addition to the amounts noted in the paragraph above, various members of the Board of Directors and their related companies provide sponsorships for the Capstone Programs. During fiscal years 2022 and 2021, revenue recorded from Board of Directors sponsorships approximated $129,000 and $134,000, respectively. Amounts included in deferred revenue related to Board of Directors sponsorships approximated $99,500 and $66,500 at June 30, 2022 and 2021, respectively.

The Organization also holds cash and investments in financial institutions at which various members of the Board serve as executives. Fees paid to these institutions are minimal in fiscal years 2022 and 2021.

8. Pension, Postretirement And Health And Welfare Benefit Plans

Multiemployer Pension Plan

Prior to June 30, 2019, the Organization offered a noncontributory defined benefit pension plan (the Plan) to its employees. The Plan was administered by JA Worldwide, Inc. and covered all full-time employees of the Organization, JA Worldwide, Inc. and participating Junior Achievement Areas in the United States. Benefits were determined based on years of service and salary history. The Plan's assets were invested in a variety of investment funds until 2019, when a substantial portion of the portfolio was placed into fixed income mutual funds, and 2020, when Plan assets were converted to cash and cash equivalents. Prior to June 30, 2019, in accordance with the plan documents, the Organization and participating Junior Achievement Areas made contributions to the plan equal to 16.75% of participants' eligible compensation. The Organization recognized, as net pension cost, the required contribution for the period and recognized, as a liability, any contributions due and unpaid. There is no recognition of the funded status of the Plan in the financial statements of the Organization.

Effective June 30, 2019, the Board of Directors of the Organization approved the termination of the Plan, at which time all participants who were active in the plan became fully vested for their respective accrued benefits. The Plan required that participating employers (including the Organization) remain liable for any funding obligations under the Plan, until all liabilities and obligations of the Plan have been satisfied. As a result, during 2020, in accordance with the plan documents, the Organization and participating Junior Achievement Areas continued to make contributions equal to 13.25% of participants' eligible compensation.

During 2020, Plan participants elected the mode of their distribution (whether lump sum or annuity) and the Plan liquidated and distributed benefit payments accordingly. The Plan engaged an insurance company to assume the annuity portfolio, and as of June 30, 2020, substantially all benefit obligations of the Plan had either been paid (lump sum elections) or transferred (annuity elections). The remaining assets in the Plan are restricted for additional future termination and other required administrative expenses.

Upon the conclusion of any necessary administrative proceedings and the final review by the Pension Benefit Guarantee Corporation (PBGC), any remaining Plan assets will first be used to pay any final administrative costs, next will be used to repay advances from JA USA, if any, and lastly, will be distributed to participating employers on a pro-rata basis. The timing and results of these administrative proceedings and PBGC's final review are uncertain, and as a result, the Organization cannot reasonably estimate, and thus has not recorded, any pro-rata amounts receivable from the Plan at June 30, 2022 or 2021.

The risks to the Organization of participating in this multiemployer pension plan are different from single-employer plans in the following aspects:

1. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the Organization chooses to stop participating in the Plan, the Organization would be required to pay the Plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Defined Contribution Plan

Due to the termination of the multiemployer pension plan, the Organization established a 401(k) plan effective July 1, 2019. The Organization will make a discretionary match up to 5% of each participant's compensation. During 2022 and 2021, $66,379 and $65,432, respectively, was contributed by the Organization.

Health And Welfare Benefits Trust

The Organization has a self-funded medical, dental and other benefits plan covering full-time employees of the Organization and their beneficiaries and covered dependents. The plan is accounted for like a multiemployer plan. Premiums are paid into the Health and Welfare Plan for each participant by the participating employers. Employees of the Organization, JA Worldwide, Inc. and employees of Junior Achievement Areas in the United States can participate in the Health and Welfare Plan. All the assets and liabilities of the Health and Welfare Plan are held in the Junior Achievement USA Health and Welfare Benefits Trust (Benefits Trust). Accordingly, no balances or transactions of the Benefits Trust are recorded in the financial statements of the Organization.

9. Debt

Line of Credit

The Organization had a line of credit agreement in the amount of $500,000 with a bank. The line of credit matured in December 2020 and was subsequently closed and converted to the term loan. Borrowings under the line of credit bore interest at a rate equal to the prime rate plus 0.75%. For the year ended June 30, 2021, interest expense of $16,658 was incurred and paid.

Term Loan

In March 2021, the line of credit agreement was modified, and the outstanding principal balance of $500,000 was converted to a term loan. The term loan bears interest at 6.43% and is secured by the personal property of the Organization. Beginning May 2021, monthly principal and interest payments in the amount of $9,767 are being made until maturity in April 2026. At June 30, 2022 and 2021, principal outstanding amounted to $397,363 and $485,893, respectively, and interest in the amount of $28,670 and $4,549, respectively, was incurred and paid for the year ended June 30, 2022 and 2021.

Paycheck Protection Program Loans

In April 2020, the Organization received a Paycheck Protection Program (PPP) loan in the amount of $445,000 which was unsecured. Amounts outstanding under this loan bore interest at a rate of 1%. During the period beginning April 2020 and ending on the ten-month anniversary of the date of the loan (the deferral period), interest on the outstanding principal balance was to accrue, but neither principal nor interest was due or payable. At the end of the deferral period, the outstanding principal that was not forgiven under the Paycheck Protection Program would convert to a term loan. The Organization applied to the bank for forgiveness of the amount due on the loan in an amount based on costs incurred by the Organization during the eight-week to twenty four-week period beginning on the date of the first disbursement of the loan. During 2021, the Organization received loan forgiveness from the SBA in the amount of $445,000, which was reflected as revenue in the statement of activities for the year ended June 30, 2021.

In February 2021, the Organization was awarded a second PPP loan from the SBA in the amount of $456,013. The unsecured loan bore interest at 1%, with principal and interest payments deferred until ten months following the end of the eight to twenty-four week loan forgiveness covered period under this loan. During 2022, the Organization received loan forgiveness from the SBA in the amount of $456,013, which is reflected as revenue in the statement of activities for the year ended June 30, 2022.

Economic Injury Disaster Loan

In January 2021, the Organization entered an additional loan agreement with the SBA under the COVID-19 Economic Injury Disaster Loan (EIDL) program in the amount of $150,000. The loan bears interest at a fixed rate of 2.75% per annum and is secured by the Organization's tangible and intangible personal property. Monthly payments of principal and interest of $641 were deferred until January 2022 and the loan will mature in January 2051. The outstanding balance at June 30, 2021 was $150,000.

In July 2021, the loan was modified under the same terms to increase the principal amount to $500,000. Updated monthly principal and interest payments of $2,179 will now begin in July 2023. The outstanding balance at June 30, 2022 is $500,000.

The scheduled debt maturities at June 30, 2022 are as follows:

Year Ended	Term Loan	EIDL	Total
2023	$ 94,407	$ —	$ 94,407
2024	100,653	—	100,653
2025	107,320	—	107,320
2026	94,983	6,155	101,138
2027	—	12,530	12,530
Thereafter	—	481,315	481,315
	$ 397,363	$ 500,000	$ 897,363

10. Operating Leases

The Organization leases equipment under a noncancellable operating lease expiring in 2023. Rent expense under this lease agreement was $21,600 during both 2022 and 2021. Future minimum lease payments as of June 30, 2022 are $5,712 due in 2023.

11. Liquidity And Availability Of Financial Assets

The Organization's assets available within one year of the statement of financial position date for general expenditures are as follows:

	2022	2021
Cash and cash equivalents	$ 892,714	$ 968,783
Investments	2,001,888	1,903,939
Accounts receivable	128,307	21,060
Pledges receivable, net	432,056	551,056
Total financial assets	3,454,965	3,444,838
Less amounts not intended to be used within one year:		
Pledges receivable, net - designated by the Board for specific purposes	200,000	192,000
Investments designated by the Board for endowment	1,675,774	1,521,073
Total financial assets not intended to be used within one year	1,875,774	1,713,073
Financial assets available to meet cash needs for general expenditures within one year	$ 1,579,191	$ 1,731,765

The Organization manages its liquidity and reserves by operating to a budget and maintaining adequate liquid assets to fund near term operating needs. Board-designated funds can be used in the case of any liquidity shortage with the approval of the Board.