Junior Achievement of Georgia, Inc.

Consolidated Financial Statements
Years Ended June 30, 2023 and 2022

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Junior Achievement of Georgia, Inc.

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Years Ended June 30, 2023 and 2022

Junior Achievement of Georgia, Inc.

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Independent Auditor's Report

The Board of Directors
Junior Achievement of Georgia, Inc.
Atlanta, Georgia

Opinion

We have audited the consolidated financial statements of Junior Achievement of Georgia, Inc. (the Organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 audits. 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 consolidated 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.

___________, 2023

Consolidated Financial Statements

Junior Achievement of Georgia, Inc.

Consolidated Statements of Financial Position

June 30,		**2023**		2022
Assets				
Current Assets				
Cash and cash equivalents	**$**	**6,064,685**	$	4,640,559
Current investments		**4,223,606**		237,788
Promises to give, net		**2,109,580**		2,238,789
Prepaid expenses		**85,415**		50,695
Total Current Assets		**12,483,286**		7,167,831
Long-Term Assets				
Promises to give, less current portion, net		**560,247**		1,055,572
Property, buildings, and equipment, net of accumulated depreciation		**11,497,277**		11,736,187
Investments, including permanently restricted endowment funds of $984,433 as of June 30, 2023 and 2022		**4,830,316**		4,607,062
Total Long-Term Assets		**16,887,840**		17,398,821
Total Assets	**$**	**29,371,126**	$	24,566,652
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	**$**	**550,707**	$	686,157
Due to affiliate		**133,803**		133,803
Total Current Liabilities		**684,510**		819,960
Total Liabilities		**684,510**		819,960
Net Assets				
Without donor restrictions				
Undesignated		**16,508,678**		18,040,380
Board-designated		**3,750,000**		-
Total net assets without donor restrictions		**20,258,678**		18,040,380
Net assets with donor restrictions		**8,427,938**		5,706,312
Total Net Assets		**28,686,616**		23,746,692
Total Net Assets and Liabilities	**$**	**29,371,126**	$	24,566,652

See accompanying notes to consolidated financial statements.

Junior Achievement of Georgia, Inc.

Consolidated Statements of Activities

Year ended June 30,

	2023			2022		
	Net Assets Without Donor Restrictions	**Net Assets With Donor Restrictions**	**Total**	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues, Gains, and Other Support						
Contributions of cash and other financial assets:						
Corporate	$ **6,560,195**	$ **416,470**	$ **6,976,665**	$ 6,275,841	$ 2,556,424	$ 8,832,265
Individual	**208,571**	**-**	**208,571**	419,785	-	419,785
Foundations	**4,056,249**	**558,619**	**4,614,868**	277,120	623,000	900,120
School districts	**150,000**	**2,550,000**	**2,700,000**	-	2,450,000	2,450,000
Total Contributions of Cash and Other Financial Assets	**10,975,015**	**3,525,089**	**14,500,104**	6,972,746	5,629,424	12,602,170
Contributions of nonfinancial assets:						
In-kind contributions	**225,485**	**-**	**225,485**	229,341	-	229,341
In-kind contributions – related party	**3,181,465**	**-**	**3,181,465**	1,989,792	-	1,989,792
Total Contributions of Nonfinancial Assets	**3,406,950**	**-**	**3,406,950**	2,219,133	-	2,219,133
Total Contributions	**14,381,965**	**3,525,089**	**17,907,054**	9,191,879	5,629,424	14,821,303
Fundraising events	**145,814**	**-**	**145,814**	18,378	-	18,378
Hall of fame	**1,370,143**	**-**	**1,370,143**	1,209,400	-	1,209,400
Investment income, net	**182,721**	**-**	**182,721**	165,888	-	165,888
Net (loss) gain on investments	**261,337**	**-**	**261,337**	(1,041,428)	-	(1,041,428)
Gain on forgiveness of note payable and Paycheck Protection Program notes payable	**-**	**-**	**-**	699,558	-	699,558
Employee retention credit	**323,755**	**-**	**323,755**	413,578	-	413,578
Other income	**81,104**	**-**	**81,104**	44,180	-	44,180
Net assets released from restrictions	**803,463**	**(803,463)**	**-**	2,996,711	(2,996,711)	-
Total Revenues, Gains, and Other Support	**17,550,302**	**2,721,626**	**20,271,928**	13,698,144	2,632,713	16,330,857
Expenses						
Program services	**13,224,352**	**-**	**13,224,352**	10,332,816	-	10,332,816
Support services:						
Management and general	**790,578**	**-**	**790,578**	931,000	-	931,000
Fundraising	**1,317,074**	**-**	**1,317,074**	1,303,817	-	1,303,817
Total Expenses	**15,332,004**	**-**	**15,332,004**	12,567,633	-	12,567,633
Changes in Net Assets	**2,218,298**	**2,721,626**	**4,939,924**	1,130,511	2,632,713	3,763,224
Net Assets, beginning of year	**18,040,380**	**5,706,312**	**23,746,692**	16,909,869	3,073,599	19,983,468
Net Assets, end of year	$ **20,258,678**	$ **8,427,938**	$ **28,686,616**	$ 18,040,380	$ 5,706,312	$ 23,746,692

See accompanying notes to consolidated financial statements.

Junior Achievement of Georgia, Inc.

Consolidated Statements of Functional Expenses

Year ended June 30, 2023

	Program Services	Support Services		
	Economic Education for Youth	Management and General	Fundraising	Total All Services
Salaries	$ 4,173,611	$ 461,866	$ 462,990	$ 5,098,467
Payroll taxes	302,074	33,263	33,288	368,625
Total Salaries and Payroll Taxes	4,475,685	495,129	496,278	5,467,092
Employee insurance	379,903	42,503	42,761	465,167
Pension/annuity	101,847	11,680	11,846	125,373
General insurance	94,356	-	-	94,356
Outside service, professional fees and temps	129,140	16,261	16,964	162,365
Bank charges	21,538	2,713	2,831	27,082
Evaluation	31,365	3,951	4,122	39,438
Office repairs and maintenance	67,674	-	-	67,674
Office supplies and expense	74,231	7,475	7,244	88,950
Computer repairs and maintenance	67,844	7,489	7,501	82,834
Dues and subscriptions	45,442	5,724	5,973	57,139
Postage and delivery	3,840	395	386	4,621
Telephone	26,025	2,929	2,952	31,906
Staff training	22,505	2,738	2,828	28,071
Travel	131,323	16,271	16,895	164,489
Volunteer recruiting and training	127,318	3,140	3,276	133,734
Recognition and awards	25,366	3,099	3,205	31,670
Public relations	18,359	-	-	18,359
Rent	450,000	-	-	450,000
Program expenses	1,024,348	6,847	7,144	1,038,339
Education and student Transportation	17,796	-	-	17,796
Special event - Hall of Fame	-	-	535,689	535,689
Conference	20,382	2,568	2,679	25,629
Franchise fees	654,365	-	-	654,365
Board meeting	11,982	1,509	1,575	15,066
In-kind expenses	225,485	-	-	225,485
In-kind expenses – related party	3,181,465	-	-	3,181,465
Total Expenses, before depreciation and amortization	11,429,584	632,421	1,172,149	13,234,154
Depreciation and Amortization	1,794,768	158,157	144,925	2,097,850
Total Expenses	$ 13,224,352	$ 790,578	$ 1,317,074	$ 15,332,004

See accompanying notes to consolidated financial statements.

Junior Achievement of Georgia, Inc.

Consolidated Statements of Functional Expenses

Year ended June 30, 2022

	Program Services	Support Services		
	Economic Education for Youth	Management and General	Fundraising	Total All Services
Salaries	$ 3,493,992	$ 502,381	$ 486,013	$ 4,482,386
Payroll taxes	253,277	36,322	35,092	324,691
Total Salaries and Payroll Taxes	3,747,269	538,703	521,105	4,807,077
Employee insurance	291,784	44,732	44,658	381,174
Pension/annuity	88,511	14,655	15,138	118,304
General insurance	107,334	-	-	107,334
Outside service, professional fees and temps	158,883	26,151	26,946	211,980
Bank charges	25,456	4,215	4,354	34,025
Evaluation	2,607	432	446	3,485
Office repairs and maintenance	75,511	-	-	75,511
Office supplies and expense	74,112	10,554	10,160	94,826
Computer repairs and maintenance	74,406	9,526	8,631	92,563
Dues and subscriptions	32,499	5,310	5,455	43,264
Postage and delivery	4,994	641	581	6,216
Telephone	53,650	5,551	4,293	63,494
Staff training	22,837	3,757	3,871	30,465
Travel	146,358	23,119	23,400	192,877
Volunteer recruiting and training	86,008	2,817	2,910	91,735
Recognition and awards	21,702	3,518	3,601	28,821
Public relations	66,624	9,279	9,585	85,488
Rent	450,000	-	-	450,000
Program expenses	517,263	-	-	517,263
Education and student Transportation	6,628	-	-	6,628
Special event - Hall of Fame	-	-	389,144	389,144
Conference	7,182	1,189	1,228	9,599
Franchise fees	597,944	-	-	597,944
Board meeting	6,334	1,049	1,083	8,466
In-kind expenses	229,341	-	-	229,341
In-kind expenses – related party	1,989,792	-	-	1,989,792
Total Expenses, before depreciation and amortization	8,885,029	705,198	1,076,589	10,666,816
Depreciation and Amortization	1,447,787	225,802	227,228	1,900,817
Total Expenses	$ 10,332,816	$ 931,000	$ 1,303,817	$ 12,567,633

See accompanying notes to consolidated financial statements.

Junior Achievement of Georgia, Inc.

Consolidated Statements of Cash Flows

Year ended June 30,	**2023**	2022
Cash Flows from Operating Activities		
Change in net assets	$ 4,939,924	$ 3,763,224
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gains) losses	(296,909)	876,171
Stock donations	(15,013)	(37,565)
Depreciation and amortization	2,097,850	1,900,817
Gain on forgiveness of note payable and Paycheck Protection Program notes payable	-	(699,558)
Changes in assets and liabilities:		
Promises to give	624,534	(1,446,701)
Prepaid expenses	(34,720)	39,698
Accounts payable and accrued expenses	(135,450)	383,777
Net Cash Provided by Operating Activities	7,180,216	4,779,863
Cash Flows from Investing Activities		
Purchases of property and equipment	(1,858,940)	(4,609,750)
Purchases of investments	(4,541,368)	-
Proceeds from sale of investments	644,218	300,000
Net Cash Provided Used in Investing Activities	(5,756,090)	(4,309,750)
Net Increase in Cash and Cash Equivalents	1,424,126	470,113
Cash and Cash Equivalents, beginning of year	4,640,559	4,170,446
Cash and Cash Equivalents, end of year	$ 6,064,685	$ 4,640,559

See accompanying notes to consolidated financial statements.

1. Description of Business

Junior Achievement of Georgia, Inc. (the Organization) is a nonprofit organization formed by an agreement with Junior Achievement USA® (the National Organization). The Organization shares and cooperates with the National Organization in the development, promotion, financing, supervision, and administration of the education programs of Junior Achievement. These programs provide youth with practical and experiential education in the private enterprise economic system. The Organization has middle school programs that include JA BizTown and JA Finance Park. The centers that run these programs are called JA Discovery Centers, and there are five throughout Georgia: Atlanta, Lawrenceville, Cumming, Dalton, and Savannah.

The Organization also runs 3DE by Junior Achievement, a model that provides an in-depth experience for students at the high school level. In partnership with school system, this model is designed to provide rigorous standards-based education infused with the career readiness, entrepreneurship, and financial literacy lessons that are the hallmarks of Junior Achievement. The first 3DE by Junior Achievement school opened in 2015 and over the subsequent years expanded to include 15 schools in Georgia.

The Organization is supported primarily by contributions from businesses, foundations, and individuals.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board's (FASB) not-for-profit presentation and disclosure guidance. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two categories of net assets – without donor restrictions and with donor restrictions. Net assets without donor restrictions are not subject to donor-imposed restrictions and are used to account for resources available to carry out the purposes of the Organization in accordance with the limitations of its by-laws. Net assets with donor restrictions are subject to donor-imposed restrictions that may be met either by the actions of the Organization pursuant to those restrictions or the passage of time, or are permanently subject to donor-imposed restrictions that do not expire over time.

The Organization reports net assets and changes therein according to two groupings: net assets without donor restrictions and net assets with donor restrictions. The details of donor restrictions are further described in Note 5.

Certain reclassifications have been made to prior period to conform to the current period financial statement presentation.

Recently Adopted Accounting Pronouncement

In February 2016, the FASB issued lease accounting guidance in Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Under the new guidance, a lessee is required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use (ROU) asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The Organization adopted ASC 842 using the modified retrospective transition method, under which amounts in the prior periods presented herein were not restated.

The Organization elected the following practical expedients as permitted per the guidance:

- The "package of practical expedients" which permits the Organization not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. The Organization has elected this package of practical expedients in its entirety.
- The short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, the Organization will not recognize ROU assets or lease liabilities for existing short-term leases of assets.
- The practical expedient to not separate lease and non-lease components for all of its leases for which observable standalone prices are not readily available.
- The use of hindsight to determine the lease term for existing leases and assessing the likelihood that a lessee renewal, termination, or purchase option will be exercised.

As discussed in Note 9, the Organization has a lease agreement with Georgia World Congress Center. The lessor has termination rights that it can exercise after June 30, 2021. As such the adoption did not impact the Organization's results of operations, cash flows or liquidity.

Recently Issued Accounting Pronouncement

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses*. ASU 2016-13 was issued to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by an entity. The ASU changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The ASU includes financial assets recorded at amortized cost basis, such as loan receivables, trade, and certain other receivables as well as certain off-balance sheet credit exposures, such as loan commitments and financial guarantees. The ASU does not apply to financial assets measured at fair value, promises to give (pledges receivable), and loans and receivables between entities under common control. Subsequently, the FASB issued ASU 2018-19, ASU 2019-04, ASU 2019-05, and 2019-10 and 2019-11 to clarify and improve ASU 2016-13. The ASU is effective for fiscal years beginning after December 15, 2022 for all nonprofit entities. Early adoption may be selected for fiscal years beginning of the first reporting period in which the guidance is effective except for certain exclusions. ASU 2016-13 is effective for the Organization during the year ending June 30, 2024. The Organization is currently evaluating the impact of ASU 2016-13 for the year ended June 30, 2024.

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to be cash on hand or held on deposit by third parties and investments with maturities less than 90 days from date of purchase. Cash balances may exceed the federally insured amounts. Cash equivalents include money market accounts and similar highly liquid, short-term investments with original maturities of three months or less.

The Organization, at times, will acquire time deposits with maturities more than of three months, which are separately classified on the consolidated statements of financial position as investments.

Investments

Investments are stated at fair value. Unrealized and realized gains and losses during the period are included on the accompanying consolidated statements of activities. The Organization primarily invests in mutual funds and other liquid investment vehicles that are traded on active markets. See Note 4 for additional information.

Property, Buildings, and Equipment

Property, buildings, and equipment are stated at cost. Donated items are recorded at fair value at the time of the donation. Depreciation of buildings and equipment is provided over the estimated useful lives of the assets using the straight-line method. Useful lives used by the Junior Achievement of Georgia, Inc. are: 40 years for buildings, ten years for leasehold improvements, ten years for furniture, and five years for equipment.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

The governing board has designated from net assets without donor restrictions, net assets to support Organizational growth. The Organization has received a significant contribution from a donor during the year.

Net assets with donor restrictions are subject to donor restrictions. Restrictions are either temporary in nature, such as those that will be met by certain programs and events specified by the donor, of for amounts to be maintained in perpetuity.

Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions and evaluated depending on the nature of the restrictions. If a donor restriction has a time or purpose restriction for which the restriction expires or the designated purpose is achieved, donor-restricted net assets are reclassified to net assets without donor restrictions. Accumulated increases in value for donor-restricted net assets are maintained as net assets with donor restrictions until the time the assets are available for general purposes based upon the nature of restrictions and Organization policy on use of earnings on net assets with donor-restricted net assets. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which promises are received.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There is no allowance as of June 30, 2023 and 2022.

Contributed Services

The Organization records contributed services if the services received create or enhance nonfinancial assets or require specialized skills that must be purchased if not donated. Such services are included in the accompanying statements of activities based on their estimated fair value on the date of service.

The Organization received in-kind services amounting to $3,181,465 and $1,989,792 from 3DE National, LLC (3DE), a related party, for the years ended June 30, 2023 and 2022, respectively. 3DE, as part of its operating activity, provides services on behalf of local Junior Achievement affiliates to assist those organizations in fulfilling their mission related to high school education programs. 3DE incurs costs that are direct benefits to those organizations through dedicated resources and time spent on its behalf.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected on the accompanying financial statements.

The Internal Revenue Service has classified Junior Achievement of Georgia as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization accounts for its uncertain tax position in accordance with Accounting Standards Codification (ASC) Topic 740-10, *Income Taxes*. ASC Topic 740-10 clarifies the accounting for uncertainty in income taxes and sets a consistent framework for preparers to use to determine the appropriate level of tax reserve to maintain for uncertain tax positions. The guidance uses a two-step approach wherein a tax benefit is recognized if a position is more-likely-than-not to be sustained. The amount of benefit is then measured to be the highest tax benefit, which is greater than 50% likely to be realized. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. Additionally, the Organization has filed Internal Revenue Service Forms 990 and 990-T tax returns, as required. The Organization believes that it is not subject to U.S. federal, state, and local, or non-U.S. income tax examinations by tax authorities for years before 2011; however, the Organization is still open to examination by taxing authorities from fiscal year 2011 forward. For the years ended June 30, 2023 and 2022, there were no interest or penalties recorded or included in the statements of activities.

Credit Risk and Financial Instruments

Cash balances are in excess of the $250,000 FDIC insurance limit and $500,000 SIPC insurance limit for interest and non-interest-bearing accounts. The amount exceeding the FDIC and SIPC limit for all accounts is $5,306,248.

Financial instruments are reported at fair value. The Organization believes there are no other significant concentrations of credit risk exist with respect to any of its financial instruments.

Subsequent Events

The Organization has evaluated subsequent events through November __, 2023, the date the consolidated financial statements were available for issuance. There were no transactions identified through this date requiring adjustments to the consolidated financial statements, or disclosure in the notes to these consolidated financial statements, other than below.

As discussed in Note 9, on July 1, 2023, the lease agreement with Georgia World Congress Center was amended to extend the lease term for another five years until June 30, 2028.

Management Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Promises to Give and Contributions

Promises to give consisted of the following:

June 30,	**2023**	2022
Promises to give	$ **2,699,580**	$ 3,351,289
Less: unamortized discount	**(29,753)**	(56,928)
Promises to Give, Net	**2,669,827**	3,294,361
Less: current portion	**(2,109,580)**	(2,238,789)
Promises to Give, less current portion	$ **560,247**	$ 1,055,572

Promises to give as of June 30, 2023 include contributions to be received as follows:

Year ending June 30,	
2024	$ 2,109,580
2025	520,000
2026	70,000
2027	-
Thereafter	-
Total	$ 2,699,580

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Contributed Nonfinancial Assets

During the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the consolidated statements of activities, none of which had donor-imposed restrictions, included:

June 30,	**2023**	2022
Professional services	$ 3,302,147	$ 2,093,465
Household items	87,047	48,363
Office space	-	65,000
Food	1,600	10,000
Clothing	11,856	2,305
Others	4,300	-
Contributed Nonfinancial Assets	$ 3,406,950	$ 2,219,133

Significant portion of professional services is related to in-kind services amounting to $3,181,465 and $1,989,792 from 3DE National, LLC (3DE), a related party, for the years ended June 30, 2023 and 2022, respectively. Professional services comprise of teachers and program personnel who assist the Organization in fulfilling its mission related to high school education programs. The Organization valued and reported the professional services at the estimate fair value based on current rates for similar services.

Contributed household items were used in the facilitation of the program simulations. The Organization estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

The Organization receives other contributed services from volunteers in connection with its operations. The services do not meet the requirement to be recognized in the consolidated statement of activities.

3. Property, Buildings, and Equipment

Property, buildings, and equipment consisted of:

June 30,	**2023**	2022
Buildings	**$ 894,765**	$ 824,387
Leasehold improvements	**19,462,546**	19,132,706
Furniture	**394,263**	394,263
Equipment	**2,798,121**	2,479,263
Construction in progress	**1,139,864**	-
	24,689,559	22,830,619
Less: accumulated depreciation	**(13,192,282)**	(11,094,432)
Property, Buildings, and Equipment, Net	**$ 11,497,277**	$ 11,736,187

4. Investments

Investments consisted of:

June 30,	2023		2022	
	Cost	**Market**	Cost	Market
Short-term investments	**$ 4,223,606**	**$ 4,223,606**	$ 237,788	$ 237,788
Bond funds	**1,905,072**	**1,600,816**	1,905,149	1,657,719
Stock funds	**2,977,873**	**3,229,500**	3,026,809	2,949,343
	$ 9,106,551	**$ 9,053,922**	$ 5,169,746	$ 4,844,850

The Organization accounts for its investment in accordance with ASC Topic 820, *Fair Value Measurements*. Debt and equity securities are carried at fair value, with the unrealized gains and losses reported as a component of net investment gain in the consolidated statements of activities. Generally, these securities have readily determinable values and, therefore, are marked to market based on quoted prices in active markets. Dividend and interest income are recognized when declared or earned.

ASC Topic 820 requires that fair value measurements be classified and disclosed in one of the following three categories:

Level 1 – This level consists of quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 – This level consists of inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly.

Level 3 – This level consists of inputs that are unobservable for the asset or liability.

The fair value measurements of the Organization’s investment securities at June 30, 2023 and 2022, respectively, are identified in the following table (note that all are valued under Level 1):

Year ended June 30,	**2023**	2022
Short-term investments	**$ 4,223,606**	$ 237,788
Bond funds	**1,600,816**	1,657,719
Stock funds	**3,229,500**	2,949,343
	$ 9,053,922	$ 4,844,850

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5. Net Assets

Board-designated Net Assets

The Organization's Board of Directors has designated net assets for Organizational growth. Board-designated net assets amounted to $3,750,000 and $0 as of June 30, 2023 and 2022, respectively.

Net Assets with Donor Restrictions

Restricted net assets consisted of the following:

Year ended June 30,		**2023**		2022
Corporate time or purpose restricted donations	**$**	**6,728,158**	$	4,006,532
Endowment		**1,699,780**		1,699,780
	$	**8,427,938**	$	5,706,312

The Organization receives contributions that are restricted as to their use as designated by the donors. The amounts are classified as net assets with donor restrictions until the funds are utilized in the manner in which they were designated, at which time they are reclassified from net assets with donor restrictions into net assets without donor restrictions. The endowments that are listed as net assets with donor restrictions represent the corpus and the accumulated earnings on the endowments. The cumulative earnings are available for use in accordance with the terms of the endowment with approval of the Board of Directors. The following table provides detail about net assets released from donor restrictions:

Year ended June 30,		**2023**		2022
Donor-Restricted Net Assets for Which Restrictions Were Met				
Purpose restriction accomplished:				
Scholarship and endowment expenditure	**$**	**15,844**	$	31,000
Timing restrictions		**787,619**		2,965,711
	$	**803,463**	$	2,996,711

Junior Achievement's endowments consist of three individual funds established by donor restrictions. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The corpus of the original investments is permanently restricted with portions of earnings available for use and included in net assets with donor-imposed timing restrictions.

Interpretation of Relevant Law

The Board of Directors of Junior Achievement of Georgia 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 has classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) 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 remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Junior Achievement 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:

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

June 30, 2023

		Temporarily Restricted		Permanently Restricted		Total
Endowment Net Assets, beginning of year	$	715,347	$	984,433	$	1,699,780
Grants		-		-		-
Net appreciation (realized and unrealized)		101,987		-		101,987
Endowment Net Assets, end of year	$	817,334	$	984,433	$	1,801,767

June 30, 2022

		Temporarily Restricted		Permanently Restricted		Total
Endowment Net Assets, beginning of year	$	692,962	$	984,433	$	1,677,395
Grants		13,109		-		13,109
Net appreciation (realized and unrealized)		9,276		-		9,276
Endowment Net Assets, end of year	$	715,347	$	984,433	$	1,699,780

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without donor restrictions. As of June 30, 2023 and 2022, there were no such deficiencies.

Return Objectives and Risk Parameters

Junior Achievement has adopted 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 that the Organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Finance Committee of the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results allowing the Organization to maintain an above-average market performance and stable returns on its investments.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Junior Achievement of Georgia 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). Junior Achievement 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 the Spending Policy

Junior Achievement of Georgia's policy is to appropriate for distribution each year 4% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The Organization's Executive Committee shall have discretion over whether or not distributions are made. If it is determined that a distribution is not needed in a current fiscal year, those funds will be available for later use and will accumulate and can be freely available for use in future years, with approval from the Executive Committee. The fund balance of this Accrued Spending Account will be reported annually to the Executive Committee.

6. Liquidity and Resources

The Organization manages liquidity based upon the expected operating obligations they expect to face in the next fiscal year. The Organization maintains liquid assets in cash and cash equivalents to meet the most near-term obligations and maintains investments in bond and stock funds to earn a return on the investments held. The investments are in highly liquid regularly traded investments funds.

The Organization's financial assets available within one year from June 30, 2023 for general expenditures are as follows:

Cash and cash equivalents	$	6,064,685
Promises to give		1,587,080
Other investments available for current use		2,523,826
	$	10,175,591

The organizations endowment funds consist of donor-restricted endowments for which the initial principal of the investments may not be distributed to meet operating needs. The endowment's income is not restricted for use for a specific purpose. Part of the Organization's liquidity management policy is to appropriate for distribution each year 4% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

7. Profit-Sharing Plan

Starting on July 1, 2019, the Organization implemented a 401(k) multiple employer profit-sharing plan covering substantially all employees. The Organization's contributions to the plan are determined annually by the Board of Directors. Contributions to the plan amounted to $117,615 and $115,000 for the years ended June 30, 2023 and 2022, respectively.

8. Related Party Transactions

The Organization will at times have balances due to or receivable from affiliates to settle related party transactions in the ordinary course of business. As there are no stipulated terms of settlement, these items are treated as current assets and liabilities when they occur and are defined as financing activities in the consolidated statement of cash flows. Due to affiliate amounted to $133,803 as of June 2023 and 2022, respectively.

The Organization received in-kind services amounting to $3,181,465 and $1,989,792 from 3DE National, LLC (3DE), a related party, for the years ended June 30, 2023 and 2022, respectively. 3DE, as part of its operating activity, provides services on behalf of local Junior Achievement affiliates to assist those organizations in fulfilling their mission related to high school education programs. 3DE incurs costs that are direct benefits to these organizations through dedicated resources and time spent on its behalf.

The Organization is affiliated with the National Organization and operates under a charter, a franchise agreement, and an Official Operating Agreement, as amended. Under provisions of the Official Operating Agreement, the Organization is required to pay franchise fees on substantially all contribution income in accordance with the scale established by the National Organization's Board of Directors. For the years ended June 30, 2023 and 2022, franchise fees paid were $654,365 and $597,944, respectively.

Additionally, the Organization is covered under a blanket insurance policy by the National Organization, for which a pro-rata share of the premium is charged. Insurance premiums paid to the National Organization were $71,786 and $54,467 for the years ended June 30, 2023 and 2022, respectively. The Organization pays for group term life insurance and dental insurance to JA USA as well. These payments amounted to $35,046 and $47,102 for years ended June 30, 2023 and 2022, respectively.

9. Operating Lease

On December 21, 2012, the Organization entered into a lease agreement with the Georgia World Congress Center. The initial term is ten years from June 1, 2013 and may be extended five times in increments of five years thereafter. On June 28, 2013, the agreement was assigned to and assumed by the Junior Achievement of Georgia Discovery Center. The Organization recognizes rent expense on a straight-line basis over the lease term. Rental expense for the World Congress Center totaled $450,000 for the years ended June 30, 2023 and 2022, respectively. Any termination rights of the Georgia World Congress Center may not be exercised under any circumstances prior to June 30, 2021. The compensation the Organization would receive in exchange for an early termination may not exceed $1,650,000 and would be calculated as the unamortized investment by Junior

Achievement of Georgia Discovery Center on a straight-line basis over the initial ten-year term of the lease.

The Organization has other lease agreement for a copier equipment which is 60-month agreement. The following is a schedule of future minimum rental payments required under all the operating lease agreements as of June 30, 2023:

Year ending June 30,		
2024	$	31,237
2025		31,237
2026		15,618
2027		-
2028		-
Thereafter		-
Total	$	78,092

On July 1, 2023, the lease agreement was amended to extend the lease term for another five years until June 30, 2028.