Junior Achievement-
Rocky Mountain, Inc. and Subsidiary

Consolidated Financial Statements

June 30, 2024 and 2023

(With Independent Auditor's Report Thereon)

Kundinger, Corder & Montoya, P.C.

Certified Public Accountants

Independent Auditor's Report

Board of Directors
Junior Achievement-Rocky Mountain, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Junior Achievement-Rocky Mountain, Inc. and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Board of Directors
Junior Achievement-Rocky Mountain, Inc. and Subsidiary

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.

Supplementary Information
We have audited the consolidated financial statements of Junior Achievement-Rocky Mountain, Inc. and Subsidiary as of and for the year ended June 30, 2024 and have issued our report thereon, dated October 14, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information
The consolidated financial statements of Junior Achievement-Rocky Mountain, Inc. and Subsidiary as of June 30, 2023 were audited by another auditor. Their report dated November 14, 2023, expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Kundinger, Corder & Montoya, P.C.

October 24, 2024

Junior Achievement-Rocky Mountain, Inc. and Subsidiary
Consolidated Statement of Financial Position
June 30, 2024
(With Comparative Totals for 2023)

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 2,005,868	2,456,905
Contributions receivable, net (note 3)	759,069	554,617
Prepaid and other assets	122,827	120,377
Total current assets	2,887,764	3,131,899
Long term assets		
Long term pledges receivable, net (note 3)	644,613	993,420
Investment in Kinslow Memorial Fund	38,472	38,468
Beneficial interest in assets held by others (notes 4 and 11)	1,146,362	1,112,367
Property and equipment, net (note 5)	18,808,131	17,965,180
Operating lease right-of-use assets (note 12)	103,152	–
Total long term assets	20,740,730	20,109,435
Total assets	$ 23,628,494	23,241,334
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 479,633	1,645,430
Deferred revenue	302,155	257,420
Notes payable (note 9)	1,194,878	1,295,652
Operating lease liability (note 12)	103,152	–
Total current liabilities	2,079,818	3,198,502
Net assets		
Net assets without donor restrictions	20,053,097	18,533,214
Net assets with donor restrictions (notes 10 and 11)	1,495,579	1,509,618
Total net assets	21,548,676	20,042,832
Commitments (notes 7 and 8)		
Total liabilities and net assets	$ 23,628,494	23,241,334

See the accompanying notes to the consolidated financial statements.

Junior Achievement-Rocky Mountain, Inc. and Subsidiary
Consolidated Statement of Activities
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024			2023
	Net assets without donor	Net assets with donor restrictions	Total	Total
Revenue, Gains and Support				
Contributions and grants				
Corporate	$ 1,968,469	304,800	2,273,269	2,250,192
Individual	1,026,563	1,502,314	2,528,877	1,651,904
Foundation	877,239	345,923	1,223,162	1,938,554
Total contributions and grants	3,872,271	2,153,037	6,025,308	5,840,650
Special events	693,506	–	693,506	721,477
In-kind special events (note 6)	87,950	–	87,950	88,193
Less special events direct expenses	(296,677)	–	(296,677)	(687,265)
Special events, net	484,779	–	484,779	122,405
Investment return, net	81,554	91,042	172,596	108,873
In-kind contributions (note 6)	4,625	–	4,625	11,875
Other income	90,759	–	90,759	231,921
Net assets released (note 10)				
Purpose restrictions	1,870,311	(1,870,311)	–	–
Time restrictions	387,807	(387,807)	–	–
Total revenue, gains and support	6,792,106	(14,039)	6,778,067	6,315,724
Expenses				
Program expenses	3,420,152	–	3,420,152	2,725,234
Fundraising expenses	1,028,350	–	1,028,350	559,529
Management and general expenses	823,721	–	823,721	408,221
Total expenses	5,272,223	–	5,272,223	3,692,984
Change in net assets	1,519,883	(14,039)	1,505,844	2,622,740
Net assets at beginning of year,	18,533,214	1,509,618	20,042,832	17,420,092
Net assets at end of year	$ 20,053,097	1,495,579	21,548,676	20,042,832

See the accompanying notes to the consolidated financial statements.

Junior Achievement-Rocky Mountain, Inc. and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

	Program services	Supporting services: Fundraising	Supporting services: Management and general	Total 2024	Total 2023
Payroll and related expenses	$ 1,709,430	771,071	662,981	3,143,482	2,070,052
Professional services	99,444	17,468	13,146	130,058	110,091
Occupancy	108,314	58,682	24,092	191,088	98,287
Depreciation	383,184	107,419	89,630	580,233	133,461
In-kind expenses	4,625	87,950	–	92,575	11,875
Travel and meals	36,072	10,656	3,171	49,899	37,683
Insurance	42,086	4,550	3,033	49,669	38,470
Advertising and marketing	38,700	7,791	–	46,491	135,285
Information technology	76,394	24,680	16,454	117,528	65,142
Bank charges	13,323	4,304	2,870	20,497	29,647
Other program related	870,855	–	–	870,855	574,645
Special events and fundraising	–	208,727	–	208,727	687,265
Dues and subscriptions	7,484	2,418	1,612	11,514	323,423
Professional development	2,879	960	334	4,173	3,911
Other office expenses	27,362	18,351	6,398	52,111	61,012
Total functional expenses	3,420,152	1,325,027	823,721	5,568,900	4,380,249
Less expenses included with revenue					
Special events direct expenses	–	(296,677)	–	(296,677)	(687,265)
Total expenses	$ 3,420,152	1,028,350	823,721	5,272,223	3,692,984

See the accompanying notes to the consolidated financial statements.

Junior Achievement-Rocky Mountain, Inc. and Subsidiary
Consolidated Statement of Cash Flows
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

		2024	2023
Cash flows from operating activities			
Change in net assets	$	1,505,844	2,622,740
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities			
Depreciation		580,233	133,461
Investment return on endowment assets		(91,046)	(71,563)
Change in operating assets and liabilities			
Pledges receivable		144,355	874,211
Prepaid expenses and other assets		(2,450)	(40,417)
Accounts payable and accrued expenses		156,154	(493,783)
Deferred revenue		44,735	23,686
Net cash provided by operating activities		2,337,825	3,048,335
Cash flows from investing activities			
Purchase of property and equipment		(2,745,135)	(9,746,732)
Proceeds from distribution of endowment funds		57,047	66,827
Net cash used in investing activities		(2,688,088)	(9,679,905)
Cash flows from financing activities			
Proceeds from notes payable		1,704,531	4,130,200
Payments on notes payable		(1,805,305)	(2,834,548)
Net cash (used in) provided by financing activities		(100,774)	1,295,652
Decrease in cash and cash equivalents		(451,037)	(5,335,918)
Cash and cash equivalents, beginning of year		2,456,905	7,792,823
Cash and cash equivalents, end of year	$	2,005,868	2,456,905
Supplemental noncash information			
Property additions financed through accounts payable	$	–	1,321,951
Operating lease right of use asset		103,152	–
Operating lease liability		103,152	–

See the accompanying notes to the consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

Junior Achievement-Rocky Mountain, Inc. (Junior Achievement) was incorporated in 1950 as a Colorado nonprofit corporation and is chartered by Junior Achievement USA (National), also a Colorado nonprofit corporation. In partnership with the business community, educators, and volunteers, Junior Achievement prepares young people to thrive in the 21st century workplace and global economy by inspiring a passion in free enterprise and entrepreneurship and instilling an understanding of personal financial literacy. JA Free Enterprise, LLC, a wholly owned subsidiary of Junior Achievement, was formed in 2019 to hold the land and building for the Free Enterprise Center (FEC).

(b) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Junior Achievement and its wholly owned subsidiary, JA Free Enterprise Center, LLC (Subsidiary, and collectively with Junior Achievement, the Organization). All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Basis of Accounting

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

(d) Financial Statement Presentation

The Organization is required to present information regarding its financial position and activities according to the following net asset classifications:

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 the Organization's 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.

(1) Summary of Significant Accounting Policies, Continued

(e) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less, and which are not held by investment managers as part of an investment portfolio, to be cash equivalents.

(f) Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, contributions receivable, and investments. The Organization places its cash and cash equivalents with creditworthy, high quality, financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Credit risk with respect to contributions receivable is limited due to the number and creditworthiness of the organizations from whom the amounts are due. The assets held by others are managed by the Colorado Gives Foundation and are monitored by the Organization's board of directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, management and the board of directors believe the investment policy is prudent for the long-term welfare of the Organization.

(g) Investments and Fair Value Measurements

Investments are reported at fair value. Fair value represents the Organization's pro-rata interest in investments held by the Colorado Gives Foundation. The investments consist of publicly traded securities as well as securities that are not traded on national security exchanges, are generally illiquid, and may be valued differently should readily available markets exist for such investments.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management is responsible for the fair value measurement of investments reported in the financial statements and believes that the reported values are reasonable.

Fair value accounting standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. Fair value measurement standards also require the classification of these financial instruments into a three-level hierarchy based on the priority of inputs to the valuation technique unless the investments are valued using the net asset value per share practical expedient. The Organization's pro-rata interest in investments held by the Colorado Gives Foundation is valued using net asset value per share which represents fair value; therefore, investments are not required to be categorized within the fair value hierarchy.

Investment return consists of the Organization's distributive share of interest, dividends, and capital gains and losses generated from investments, as well as the change in fair value of those investments.

(1) Summary of Significant Accounting Policies, Continued

(h) Furniture and Equipment

The Organization capitalizes all expenditures for furniture and equipment in excess of $500 and with an estimated useful life of one year or more. Furniture and equipment is stated at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years.

(i) Leases

The Organization adopted the provision of ASU No. 2016-02, *Leases (Topic 842)*. In accordance with the standard, the Organization has elected not to record in the consolidated statement of financial position a lease whose term is twelve months or less and does not include a purchase option that the Organization is reasonably certain to exercise. The Organization has elected to use the risk-free rate to determine the present value of the lease payments for purposes of calculating the right-of-use asset and lease liability.

(j) Revenue Recognition

Contributions and Grants
Contributions and grants are recognized when cash, securities, unconditional promises to give, or notification of a beneficial interest are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return are not recognized until the conditions on which they depend have been substantially met. Payments received in advance of conditions being met are recorded as a refundable advance.

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions and grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restriction on long-lived assets or cash to construct or acquire long-lived assets are considered to have expired when the assets are placed in service or expenditures exceed the amount of the gift.

Contributions and grants receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on past collection experience and management's analysis of specific promises made. Uncollectible amounts are charged to the allowance in the year they are deemed uncollectible.

(1) Summary of Significant Accounting Policies, Continued

(j) Revenue Recognition, Continued

Special Events Revenue
The Organization recognizes income for special events on the day the event is held. Any amount received prior to the date of the event is recorded as deferred revenue and then recognized as revenue when the performance obligation is satisfied.

Donated Goods and Services
Donated goods are recorded at fair value at the date of the donation. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In addition, a number of volunteers have donated time in connection with the Organization's activities. No amounts have been reflected in the accompanying consolidated financial statements because the services do not meet the recognition criteria under generally accepted accounting standards.

Parking Lot and Rental Income
The Organization has a parking lot, adjacent to the Free Enterprise Center, which is rented out for public use during concerts at nearby Fiddler's Green Amphitheater. Revenue is recorded at the time of the concert and is recorded as deferred revenue if paid in advance of the event.

Additionally, the Organization has an educational facility, within the Free Enterprise Center, which is available for community use when not used by the Organization. Revenue is recorded at the time of the event and is recorded as deferred revenue if paid in advance of the event.

(k) Functional Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying consolidated financial statements. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e. fundraising and management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as time and effort incurred by personnel or square footage.

To achieve its program goals, the Organization utilizes volunteers to teach in the classroom. To fulfill its growing commitment, the Organization incurs time and expenses for recruitment of volunteers each year. The costs incurred for recruitment of classroom volunteers are included in program expenses. Costs associated with training and coordination of classroom volunteers are recorded with program expenses.

(1) Summary of Significant Accounting Policies, Continued

(l) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(m) Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. Income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business income. During 2024, the Organization had unrelated business taxable income related to parking lot activities.

Management is required to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements and determined there are none. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The three previous tax years remain subject to examination by the Internal Revenue Service.

(n) Subsequent Events

The Organization evaluated all subsequent events through October 24, 2024, which is the date the financial statements were available to be issued. As of September 1, 2024, the Organization acquired substantially all the assets and certain liabilities of The Colorado Council on Economic Education d/b/a Economic Literacy Colorado, a Colorado nonprofit corporation, which operated teacher training programs and administered scholarships. See note 13.

(o) Prior Year Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted principles. Accordingly, such information should be read in conjunction with the Organization's audited consolidated financial statements for the year ended June 30, 2023, from which the summarized information was derived.

(p) Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. The reclassifications had no effect on net assets or the change in net assets.

(2) Availability and Liquidity of Financial Assets

The Organization receives substantially all of its operating revenue from donors. The timing and amount of revenues received are often controlled by donors. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent, approved budget; maintaining adequate liquid assets to fund near-term operating needs; maintaining sufficient liquidity to meet expected and unexpected revenue and expense fluctuations. The Organization strives to maintain current financial assets, less current liabilities at a minimum of 90 days of operating expenses. The Organization targets maintaining a minimum amount of cash on hand equal to at least three months of average cash expenditures and maintains a line of credit to ensure it can maintain operations without disruption.

The following table reflects the Organization's financial resources as of June 30, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date:

Financial assets	
Cash and cash equivalents	$ 2,005,868
Current contributions receivable, net	759,069
Total financial assets	$ 2,764,937
Estimate of annual appropriation from endowment	57,000
Notes payable due within one year	(1,194,878)
Unused line of credit balance	275,000
Total financial assets available for expenditures in one year	$ 1,902,059

(3) Contributions Receivable

The Organization's contributions receivable consist of the following as of June 30, 2024:

FEC contributions	$ 1,007,673
Other contributions	461,396
Gross contributions receivable	1,469,069
Less present value discount	(65,387)
Net contributions receivable	1,403,682
Less current portion	(759,069)
Net contributions receivable, long-term	$ 644,613

The Organization used discount rates ranging between 5.0% to 8.5% to calculate the net present value of long term contributions receivable for the year ended June 30, 2024. Contributions receivable are expected to be collected at variable installments over the next five years. Conditional promises to give totaled $623,132 for the year ended June 30, 2024.

(4) Beneficial Interests in Assets Held by Others

In 2004, the Organization signed an endowment fund agreement with Colorado Gives Foundation (f/k/a Colorado First Foundation) (the Foundation), an unrelated community foundation, establishing the Junior Achievement-Rocky Mountain, Inc. Endowment Fund (the Fund). The purpose of the Fund is to implement the Organization's programs in Colorado. The Organization has advised the Foundation about the types and percentages of investment options in which the Fund should be invested in accordance with the Organization's investment policy. The Fund is held and managed by the Foundation, and the Organization may take distributions from the endowment to carry out the Organization's programs. Distributions are currently limited to 5% of the fair market value of the endowment on an annual basis. The Organization requested and received a 5% distribution of $57,047 during the year ended June 30, 2024. In addition, the Organization may receive loans from the endowment in the case of financial hardship. See note 11.

(5) Property and Equipment

Property and equipment consisted of the following at June 30, 2024:

Building and building improvements	$	17,233,169
Technology assets		274,925
Furniture, fixtures and equipment		1,429,399
		18,937,493
Less accumulated depreciation and amortization		(1,590,220)
Net depreciable assets		17,347,273
Land		1,460,858
Property and equipment, net	$	18,808,131

Land and building include the Free Enterprise Center, which was completed and placed into service during the year ended June 30, 2023. This location serves as the administrative offices of the Organization and provides an environment for middle and high school students to interact in simulations to discover career paths, set practical goals so they can gain the knowledge and skills to attain those careers, and understand how to manage their finances.

(6) In-Kind Contributions

During the year ended June 30, 2024, in-kind contributions consisted of the following:

Auction items	$	87,950
Program event space		3,200
Donated food and beverages		1,425
Total	$	92,575

Auction items and donated food and beverages are valued at the replacement cost of the received goods for a price publicly available on a website or in a local store. Program event space is based on the stated rate of the location for similar events.

(7) National Franchise Fees

As an affiliate of National, the Organization is generally obligated to pay fees to National based on the prior year's audited consolidated financial statements, as follows: a tiered fee of 11.5% of the first $1,000,000 of contributions and grants received; 9.5% of revenue on the next $1,000,000; and 7.5% of revenue on amounts above $2,000,000; an ongoing technology fee of 5% on certain revenue items; and a program and support fee of 2.5% on certain revenue items. The Organization also purchases program materials from National. As a result of this agreement, for the year ended June 30, 2024, total franchise fee expenses of $242,521 were paid to National, and are recognized in program expense in the accompanying consolidated statement of activities. The Organization anticipates paying franchise fees of $280,791 and $370,545 for the years ended June 30, 2025 and 2026, respectively. As of the date of issuance of the consolidated financial statements, the Organization is an affiliate in good standing with National.

(8) Employee Benefit Plan

The Organization has a defined contribution 403(b) plan (the Plan), whereby eligible employees may contribute a percentage of their compensation into the Plan. The Plan provides for a matching contribution by the Organization up to 5% of the employee's wages. The Organization's contributions are vested 33% per year beginning with the second year of service. For the year ended June 30, 2024, contributions to the Plan by the Organization totaled $94,514.

(9) Notes Payable

Under a line of credit agreement with a bank, the Organization has available borrowings of $275,000 available through December 1, 2024 with interest at the Wall Street Prime Rate (8.50% at June 30, 2024). The Organization did not draw on this line during the fiscal year ended June 30, 2024. The Organization intends to extend the availability of this credit line for another year.

The Organization has a secondary line of credit agreement with available borrowings totaling $6,000,000. The Organization has drawn on the line, the balance of which was $1,194,878 on June 30, 2024. Interest accrues on the debt at the Wall Street Prime Rate + 0.25% (8.75% on June 30, 2024). Interest-only payments are due monthly, with the full outstanding principal amount due by March 1, 2025, with one 12-month extension option available. The outstanding debt is secured by a deed of trust on the underlying property.

(10) Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following balances as of June 30, 2024:

Purpose restricted	
Stock Market Challenge	$ 233,240
Summer Program	44,227
Scholarships	17,621
Total purpose restricted	295,088
Time restricted	54,129
Amounts required to be retained in perpetuity (note 11)	1,146,362
Total net assets with donor restrictions	$ 1,495,579

The Kinslow Memorial Fund is an amount designated by the donor for future scholarships and is recorded as net assets with donor restriction until such grants are made. The investment is held in an interest-bearing cash account.

For the year ended June 30, 2024, net assets totaling $2,258,118 were released from restrictions as a result of the Organization incurring expenditures satisfying the related time or purpose restrictions. Additionally, for the year ended June 30, 2024, appropriations from the endowment of $57,047 are included in the balance of net assets released from restriction due to time.

(11) Junior Achievement-Rocky Mountain, Inc. Endowment Fund

The Organization follows the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA). The Organization has interpreted 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 perpetual endowments (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment represents amounts available for expenditure upon appropriation by the Organization’s board of directors in a manner consistent with the standard of prudence prescribed by UMPIFA.

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

(11) Junior Achievement-Rocky Mountain, Inc. Endowment Fund, Continued

Net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

Following are the changes in the endowment net assets during the year ended June 30, 2024:

Endowment net assets at June 30, 2023	$ 1,112,367
Investment return, net	91,042
Appropriated for expenditure	(57,047)
Endowment net assets at June 30, 2024	$ 1,146,362

Return Objectives and Risk Parameters and Strategies Employed for Achieving Objectives
As discussed in note 4, the Organization's endowment fund is held by the Colorado Gives Foundation. Although the Organization has advised the Foundation about the types and percentages of investment options in which the Fund should be invested, the Foundation has sole discretion over the investment of the endowments, within the standards set by UPMIFA. The assets held by the Foundation are in a commingled investment pool consisting of both marketable and alternative investments. The Organization reports its interest in the pool at fair value using information provided by the Foundation. Investment return consists of the Organization's distributive share of any interest, dividends, capital gains and losses generated from the investments, as well as the change in fair value of the investments.

The primary investment objectives of the Fund are to preserve capital; enhance the real, inflation-adjusted purchasing power of these funds; and to provide a predictable, steady, and increasing stream of funding for the Organization's operations. The goal of the Fund is to attain an average annual real total return in excess of the policy index consisting of an asset allocation of approximately 65% equities and 35% fixed income and cash and cash equivalents. The Fund utilizes both passive investment strategies (e.g., index funds and exchange-traded funds) and active management strategies (e.g., actively managed mutual funds, etc.) as appropriate to provide exposure to certain asset classes and potential returns above those which may be achieved through passive investments. Decisions as to individual security selection, security size and quality, number of industries and holdings, current income levels, turnover, and the other tools employed by active managers are left to broad manager discretion, subject to usual standards of fiduciary prudence.

The Organization's pro-rata interest in investments held by the Foundation is valued using net asset value per share, or its equivalent, which represents fair value; therefore, investments are not required to be categorized within the fair value hierarchy.

(12) Operating Lease Right of Use Asset and Operating Lease Liability

The Organization leases office space for the Northern Colorado office under a non-cancelable operating lease that expires December 31, 2026. Additionally, there are leases on a postage machine and copiers with lease terms ranging from three to five years. The Organization includes in the determination of the lease terms any renewal options when the options are reasonably certain to be exercised. The operating lease on the Northern Colorado office space provides for increases in future minimum annual rental payments.

The discount rate is the rate implicit in the lease. For instances where the rate implicit in the lease cannot be readily determined, the Organization uses a risk-free discount rate determined using a period comparable to the lease term.

The total operating lease costs for the year ended June 30, 2024 totaled $27,286 and are included with occupancy in the statements of functional expenses. The weighted-average term and discount rates for the operating leases outstanding as of June 30, 2024 are as follows:

Weighted-average term (years)	3-5 years
Weighted-average discount rate	5.00%

The future minimum lease payments are as follows for the years ending June 30:

Undiscounted cash flows due in:	
2025	$ 43,495
2026	44,021
2027	24,922
2028	6,541
Total undiscounted cash flows	118,979
Impact of present value discount	(15,827)
Lease liability recognized	$ 103,152

(13) Subsequent Events

Effective September 1, 2024, the Organization acquired substantially all the assets and certain liabilities of the Colorado Council on Economic Education d/b/a Economic Literacy Colorado, a Colorado nonprofit corporation, which operated teacher training programs and administered scholarships. Economic Literacy Colorado was a longtime partner of the Organization, and both Junior Achievement and Economic Literacy Colorado boards saw great efficiencies in joining forces. Based on information supplied by Economic Literacy Colorado, management believes that the total assets, liabilities, and net assets acquired as of September 1, 2024 were as follows:

Cash and cash equivalents	$	377,713
Investments		184,457
Beneficial interest in assets held by others		137,190
Total assets	$	699,360
Net assets without donor restrictions		294,182
Net assets with donor restrictions		405,178
		699,360
Total liabilities and net assets	$	699,360

The Organization will record the unaudited assets and liabilities of Economic Literacy Colorado at book value, which approximates fair value.

Junior Achievement-Rocky Mountain, Inc. and Subsidiary
Supplemental Schedule - Revenue Subject to License Fee
Year Ended June 30, 2024

Revenue per finacial statements		
Total unrestricted revenue	$	6,792,106
Total permanently restricted revenue		91,042
Add in prior year accounts receivable - gross		554,617
Subtract current year accounts receivable - gross		(763,424)
Add special event expenses		296,677
Adjusted total revenue		6,971,018
Subtract		
In-kind		(4,625)
In-kind special event (if included in special event revenue)		(87,950)
Interest		(81,554)
Rental and parking income		(80,517)
Actual pledges write-offs		(10,185)
Other income - reimbursed income		(10,242)
Pass-through from Junior Achievement USA (license exempt only)		(180,868)
Capital campaign for construction		(1,788,074)
Total subject to program and support fee		4,727,003
Furniture and fixtures relating to capital campaign		442,053
Technology hardware relating to capital campaign		144,352
Total 2.5% revenue		586,405
Ongoing technology hardware for student use		–
Total 2.5% revenue		–
Remaining revenue subject to 3- tier program and support fee		4,140,598
(11.5% of first $1,000,000, 9.5% next $1,000,000, 7.5% above $2,000,000)		
License fee calculated	$	370,545