

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Independent Auditors' Report

To the Board of Directors
Junior Achievement of Western New York, Inc.
Amherst, New York

Opinion

We have audited the accompanying financial statements of Junior Achievement of Western New York, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of Western New York, Inc. as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Junior Achievement of Western New York, 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 Western New York, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Junior Achievement of Western New York, 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 Western New York, 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 Western New York, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kerns & Associates CPAs, PLLC

Buffalo, New York
November 19, 2025

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
Current assets:		
Cash and cash equivalents	\$ 412,314	\$ 398,667
Investments	240,750	171,352
Certificates of deposit	52,357	105,224
Pledges and other receivables, net of allowance of \$3,000 in 2025 and 2024	<u>52,584</u>	<u>14,432</u>
	TOTAL CURRENT ASSETS	758,005
	<u>758,005</u>	<u>689,675</u>
Other assets:		
Security deposit	1,925	1,925
Property and equipment, net of accumulated depreciation and amortization	5,192	11,342
Right of use asset - lease	<u>21,452</u>	<u>39,765</u>
	TOTAL OTHER ASSETS	28,569
	<u>28,569</u>	<u>53,032</u>
	TOTAL ASSETS	\$ 786,574
	<u>\$ 786,574</u>	<u>\$ 742,707</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities:		
Accounts payable	\$ 2,311	\$ 2,489
Accrued expenses	39,861	20,545
Scholarships payable	4,500	7,000
Lease payable, current portion	<u>19,750</u>	<u>18,313</u>
	TOTAL CURRENT LIABILITIES	66,422
	<u>66,422</u>	<u>48,347</u>
Lease payable, current portion	<u>1,715</u>	<u>21,448</u>
	TOTAL LIABILITIES	68,137
	<u>68,137</u>	<u>69,795</u>

NET ASSETS

Net assets without donor restrictions	716,560	671,035
Net assets with donor restrictions	1,877	1,877
	TOTAL NET ASSETS	718,437
	<u>718,437</u>	<u>672,912</u>
	TOTAL LIABILITIES AND NET ASSETS	\$ 786,574
	<u>\$ 786,574</u>	<u>\$ 742,707</u>

See independent auditors' report and notes to financial statements.

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	Without donor restrictions	With donor restrictions	2025	2024
REVENUE AND OTHER SUPPORT				
Contributions				
Corporate	\$ 218,978	\$ -	\$ 218,978	\$ 202,079
Individual	35,296	-	35,296	33,458
Foundations	<u>176,700</u>	<u>-</u>	<u>176,700</u>	<u>199,227</u>
Total contributions	430,974	-	430,974	434,764
Special events, including in-kind contributions, net of direct expenses of \$71,289 and \$54,412 in 2025 and 2024, respectively	167,729	-	167,729	161,881
Public Sector Funding				
Federal funding	59,121		59,121	32,870
Local and County funding	11,240		11,240	2,500
School district funding	54,500		54,500	49,980
In-kind contributions	8,575	-	8,575	2,870
Investment income	<u>36,202</u>	<u>-</u>	<u>36,202</u>	<u>36,571</u>
TOTAL REVENUE AND OTHER SUPPORT	768,341	-	768,341	721,436
EXPENSES				
Program expenses	548,297		548,297	526,388
Supporting services				
Management and general	97,570	-	97,570	100,259
Fundraising expenses	<u>76,949</u>	<u>-</u>	<u>76,949</u>	<u>94,609</u>
Total supporting services	<u>174,519</u>	<u>-</u>	<u>174,519</u>	<u>194,868</u>
TOTAL EXPENSES	722,816	-	722,816	721,256
INCREASE IN NET ASSETS	45,525	-	45,525	180
NET ASSETS - BEGINNING OF YEAR	<u>671,035</u>	<u>1,877</u>	<u>672,912</u>	<u>672,732</u>
NET ASSETS - END OF YEAR	\$ 716,560	\$ 1,877	\$ 718,437	\$ 672,912

See independent auditors' report and notes to financial statements.

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED 2024)

	Support Services					
	Total Program Services	Management and General		Fundraising	Total Support Services	2025 Total
		Management and General	Fundraising			
Salaries	\$ 357,893	\$ 57,634	\$ 60,561	\$ 118,195	\$ 476,088	\$ 459,729
Payroll taxes	26,273	4,231	4,446	8,677	34,950	33,647
Employee benefits	17,328	2,790	2,932	5,722	23,050	26,949
Pension expense	8,602	1,385	1,456	2,841	11,443	12,596
Total salaries and benefits	410,096	66,040	69,395	135,435	545,531	532,921
Program materials	35,130	-	-	-	35,130	43,942
Outside services	-	2,633	-	2,633	2,633	2,275
Occupancy	11,038	4,894	4,894	9,788	20,826	19,704
Office expense	2,062	-	-	-	2,062	2,101
Computer software	-	2,876	-	2,876	2,876	3,759
Stationary and supplies	2,137	-	-	-	2,137	864
Dues and subscriptions	-	1,768	-	1,768	1,768	1,826
Postage and delivery	398	176	176	352	750	1,383
Telephone	2,344	1,039	1,039	2,078	4,422	5,227
Staff training	4,948	-	-	-	4,948	2,946
Travel	2,383	-	-	-	2,383	4,410
Public relations	3,000	-	-	-	3,000	-
Program support and fees	70,501	-	-	-	70,501	67,866
Professional fees	-	11,100	-	11,100	11,100	13,000
Scholarship	1,000	-	-	-	1,000	2,500
Miscellaneous	-	5,599	-	5,599	5,599	5,040
Depreciation and amortization	3,260	1,445	1,445	2,890	6,150	11,492
Total	\$ 548,297	\$ 97,570	\$ 76,949	\$ 174,519	\$ 722,816	\$ 721,256

See independent auditors' report and notes to financial statements.

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 45,525	\$ 180
Adjustments to reconcile increase in net assets to net cash flows from operating activities:		
Depreciation and amortization	6,150	11,492
Unrealized gain on investments	(22,198)	(20,924)
Changes in assets and liabilities:		
Pledges receivable	(38,152)	(7,317)
Operating lease right of use asset and liability	17	(433)
Accounts payable	(178)	(2,164)
Accrued expenses	19,316	10,106
Scholarships payable	(2,500)	(2,000)
Net cash provided by (used in) operating activities	<u>7,980</u>	<u>(11,060)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(780)
Purchase of certificates of deposit	-	(5,224)
Redemptions of certificates of deposit	52,867	-
Purchases of investments	<u>(47,200)</u>	<u>(60,000)</u>
Net cash provided by (used in) investing activities	<u>5,667</u>	<u>(66,004)</u>
INCREASE (DECREASE) IN CASH	13,647	(77,064)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	398,667	475,731
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 412,314</u>	<u>\$ 398,667</u>

See independent auditors' report and notes to financial statements.

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Junior Achievement of Western New York, Inc. (the Organization) is a nonprofit organization affiliated with Junior Achievement USA, a national organization, that inspires and prepares young people to succeed in a global economy. Through volunteer-delivered, experiential learning programs, the organization provides students with essential knowledge and skills in financial literacy, work readiness, and entrepreneurship. Kindergarten through 12th grade and young adult learning experiences enhance the relevance of classroom learning and promote the value of staying in school.

Courses are designed to be sequential and build upon prior learning, with tailored content for elementary, middle, and high school students. The organization also offers specialized initiatives such as JA Workforce Coaching and JA Be Entrepreneurial®, which foster critical thinking, innovation, and career planning.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purposes in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net Assets With Donor Restrictions – Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. The Organization net assets with donor restrictions of \$1,877 as of June 30, 2025 and 2024.

Basis of Accounting

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

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 to be cash equivalents.

The Organization maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Certificates of Deposit

The Organization maintains certificates of deposit with a maturity in excess of three months.

Investments

Investments are carried at fair value as determined by readily marketable quoted prices. They consist of money market funds and equity securities.

Pledges and Other Receivable

Pledges and other receivables are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts amounted to \$3,000 at June 30, 2025 and 2024.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Expenditures for repairs and maintenance are charged to operations as incurred.

Fair Value Measurements

The fair value of financial assets and liabilities is measured according to the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification. Fair value is required to be evaluated and adjusted according to the following valuation techniques.

Level 1 – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 – Fair value is determined using quoted market prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market for substantially the full term of the assets or liabilities.

Level 3 – Fair value is determined using inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The market for assets and liabilities using level 3 measures is typically inactive.

The investments are all level 1 inputs determined using quoted market prices in active markets.

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and Other Public Support

Grant income consists of contributions received primarily from private foundations. Contributions received are measured at their fair values and are reported as an increase in net assets. 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 or designated as support for future periods. 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. Contributions received with donor-imposed restrictions that are met in the same reporting period are shown as unrestricted revenue.

Funds received from conditional grants and contributions are considered earned and reported as revenue when expenditures are incurred in compliance with specific grant requirements. Amounts received but not yet earned are reported as refundable advances.

Revenue Recognition

Revenue is recognized when earned. Program service fees are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Program service fees are shown as 'public sector funding' in the accompanying statement of activities. Junior Achievement USA (JAUSA) defines public sector funding as resources received from federal, state or local agencies that are generated from tax revenue. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Advertising Costs

Advertising costs are expensed as incurred. For the years ended June 30, 2025 and 2024, the amount charged to expense was \$3,716 and \$2,545, respectively, and is reflected in public relations expense (reported net of special events revenue) in the accompanying statement of functional expenses and statement of activities.

In-Kind Contributions

Donated Services

Donated 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. Volunteers also provided tutoring and fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. Donated services amounted to \$12,206 and \$5,346 for the years ended June 30, 2025 and 2024.

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials

Donated materials, including items that may be donated for special events, are recognized as contributions and recorded at their fair market values when received and reflected as special events revenue and in-kind contributions in the accompanying statement of activities. Donated materials amounted to \$34,028 and \$17,445 for the years ended June 30, 2025 and 2024.

A summary of donated materials and services by revenue and natural expense category for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Special events	\$ 37,659	\$ 19,921
In-Kind contributions	8,575	2,870
Total in-kind contributions	<u>\$ 46,234</u>	<u>\$ 22,791</u>
	2025	2024
Special events (netted against revenue)	\$ 37,659	\$ 19,921
Volunteer recognition	2,775	2,870
Program materials	5,800	-
Total donated materials and services	<u>\$ 46,234</u>	<u>\$ 22,791</u>

Income Taxes

The Organization is a 501(c)(3) organization exempt from income taxes under Section 501(a) of the Internal Revenue Code.

Use of Estimates

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

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management has evaluated all allocations of expenses. Certain expenses are directly charged to program or management and general expenses depending on the nature of the expense. Below is a summary of allocation methodologies for certain expenses:

- Salaries are allocated based on time and efforts of program or supporting services benefitted,
- Program materials and other program related expenses are allocated across programs based on number of students, and
- Occupancy related costs are allocated based on the square footage.

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Reclassifications were made to certain prior year balances in order for them to conform to the current year presentation.

NOTE 2 – LIQUIDITY RESOURCES

The Organization's primary source of financial assets is contributions from the public. The Organization has at its disposal cash and cash equivalents, which provide sources of liquidity. The Organization has a line of credit at its disposal with an availability of \$100,000 (note 6). The following reflects the Organization's financial assets as of June 30, 2025 and 2024:

Financial assets at year end:	2025	2024
Cash and cash equivalents	\$ 412,314	\$ 398,667
Investments	240,750	171,352
Pledges and other receivables	<u>52,584</u>	<u>14,432</u>
Total financial assets available	705,648	584,451
Less amounts not available to be used in one year:		
Net assets with donor restrictions	<u>1,877</u>	<u>1,877</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 703,771</u>	<u>\$ 582,574</u>

NOTE 3 – CERTIFICATES OF DEPOSIT

The Organization held certificates of deposit totaling \$52,357 and \$105,224 on June 30, 2025 and 2024, respectively. The certificate of deposit in the amount of \$52,357 at June 30, 2025 bears interest at 4.4% and matures on February 28, 2026.

NOTE 4 – INVESTMENTS

Investments as of June 30, 2025 and 2024 consist of the following:

	2025	2024
Money market funds	\$ 2,394	\$ 3,491
Fixed income	99,940	49,937
Common stock	<u>138,416</u>	<u>117,924</u>
	<u>\$ 240,750</u>	<u>\$ 171,352</u>

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 – INVESTMENTS (continued)

The following schedule summarizes the investment income for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and dividends	\$ 14,004	\$ 15,647
Unrealized gain	22,198	20,924
	<u>\$ 36,202</u>	<u>\$ 36,571</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment, net of accumulated depreciation consisted of the following at June 30, 2025 and 2024:

	2025	2024
Equipment	\$ 76,774	\$ 76,774
Furniture and fixtures	16,419	16,419
	<u>93,193</u>	<u>93,193</u>
Less: accumulated depreciation	<u>(88,001)</u>	<u>(81,851)</u>
	<u>\$ 5,192</u>	<u>\$ 11,342</u>

Depreciation and amortization expense amounted to \$6,150 and \$11,492 for the years ended June 30, 2025 and 2024.

NOTE 6 – LINE OF CREDIT

The Organization has a line of credit with an availability of \$100,000. The line of credit bears interest at the bank's prime plus 1% (8.5% at June 30, 2025) and is secured by a general security agreement. No amounts were borrowed on the line during the years ended June 30, 2025 and 2024.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of restricted scholarships at June 30, 2025 and 2024. There were no net assets released from donor imposed restrictions for the years ended June 30, 2025 and 2024.

NOTE 8 – TRANSACTIONS WITH AFFILIATE

The Organization is an independently operated affiliate of Junior Achievement USA (JAUSA). The Organization pays a program and support fee to JAUSA in exchange for access to national student programs, employee benefit plans, regional and national conferences and insurance coverage. The annual program and support fees are based upon actual reported revenue for the second preceding year (i.e. two-year lag) and are payable in ten equal installments commencing in September of each fiscal year. The fees paid in the years ended June 30, 2025 and 2024 were \$70,501 and \$67,866, respectively.

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 – PENSION PLAN

The Organization offers 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 were \$11,443 and \$12,596 for the years ended June 30, 2025 and 2024, respectively.

NOTE 10 – 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 multi-employer 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. The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2025 and 2024, was \$4,420 and \$6,470, respectively.

The Health and Welfare Plan also offers health care benefits to retired personnel of the participating employees. This creates an implicit rate subsidy, which is considered to be a postretirement benefit. Management of the Organization does not believe the implicit rate subsidy amount to be material to the Organization, especially since the Plan is a multi-employer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the financial statements of the Organization.

NOTE 11 – LEASE OBLIGATIONS

The Organization leases space, which expires on July 31, 2026. The present value of the Organization's lease liability after adoption of ASU No. 2016-02, Leases (Topic 842) was calculated using an incremental borrowing rate of 6.5%. In determining the incremental borrowing rate, the Organization considered estimated borrowing data for similar arrangements as of the transition date. As of June 30, 2025, the Organization recognized an operating right-of-use-asset and lease liability of \$21,452 and \$21,465.

The components of operating lease expenses that are included in "Occupancy costs" in the statement of activities for the year ended June 30, 2025 were as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	<u>\$ 20,826</u>	<u>\$ 19,704</u>

JUNIOR ACHIEVEMENT OF WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 – LEASE OBLIGATIONS (continued)

The following summarizes the line items in the balance sheet which include amounts for operating leases as of June 30, 2025 and 2024:

	2025	2024
Right of use asset - lease	<u>\$ 21,452</u>	<u>\$ 39,765</u>
Lease payable, current portion	\$ 19,750	\$ 18,313
Lease payable, long-term portion	1,715	21,448
Total lease liability	<u>\$ 21,465</u>	<u>\$ 39,761</u>

The maturities of operating lease liabilities as of December 31 of each year were as follows:

2026	20,563
2027	1,715
Total lease payments	22,278
Less: Interest	(813)
Present value of lease liability	<u>\$ 21,465</u>

NOTE 12 – STATE UNEMPLOYMENT INSURANCE

Effective January 1, 1988, the Organization elected to become self-insured for New York State Unemployment Insurance purposes. Accordingly, any future claims paid by New York State must be reimbursed out of current operations. No unemployment claims were paid for the years ended June 30, 2025 and 2024.

NOTE 13 – SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 19, 2025 (the date on which the financial statements were available to be issued).

NOTE 14 – CONCENTRATION OF REVENUE SOURCES

The Organization is supported through an annual fundraising event. For the years ended June 30, 2025 and 2024 approximately 24% and 25%, respectively, of the Organization's revenue was derived from the annual fundraising event.

NOTE 15 – CONTINGENCIES

The Organization has received grants from local foundations and the Federal government, which could be subject to return of funds. No provision for any potential disallowances that may result from such audit has been made in the accompanying financial statements. Management believes that disallowances, if any, will not be material.

In April 2022, the Organization applied and was approved for the Employee Retention Credit (ERC) under the Coronavirus Aid, Relief and Economic Security (CARES) Act in the amount of \$150,180. Federal legislation has extended the Internal Revenue Service's time to audit ERC claims to five years. Therefore, the Organization's 2020 and 2021 ERC claims could be challenged by the IRS through 2028.