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CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

JUNIOR ACHIEVEMENT OF DELAWARE, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2025 AND 2024

JUNIOR ACHIEVEMENT OF DELAWARE, INC.

C O N T E N T S

WHISMAN GIORDANO
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Junior Achievement of Delaware, Inc.
Wilmington, Delaware

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Junior Achievement of Delaware, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, and the related 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 financial statements present fairly, in all material respects, the financial position of Junior Achievement of Delaware, Inc. as of June 30, 2025 and 2024, 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 Junior Achievement of Delaware, Inc. 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.

Emphasis of Matter – Change in Accounting Principles

As discussed in Note B to the financial statements, effective July 1, 2023, Junior Achievement of Delaware, Inc., the Entity, adopted new accounting guidance, Accounting Standards Codification (ASC) 326 – *Financial Instruments – Credit Losses*.

As discussed in Note M to the financial statements, effective July 1, 2023, the Entity adopted ASC 842 *Leases*.

Our opinion is not modified with respect to these matters.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Entity will continue as a going concern. As discussed in Note P to the financial statements, the Entity has suffered from significant liquidity challenges during the current year, including an operating deficit and borrowing from restricted funds (see Note G), and has stated that substantial doubt exists about the Entity's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note P. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

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 Delaware, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 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 Delaware, 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 Delaware, 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.

Whisman Giordano & Associates, LLC

Newark, Delaware
December 11, 2025

JUNIOR ACHIEVEMENT OF DELAWARE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 120,846	$ 365,628
Accounts receivable	15,512	46,440
Prepaid expenses	10,019	8,704
Total current assets	146,377	420,772
NONCURRENT ASSETS		
Endowment	51,826	21,687
Beneficial Ownership in Endowment	114,285	123,132
Property and equipment	1,666,336	1,497,527
Right of use asset	18,271	24,361
Hall of Fame display	102,345	65,845
Timeshare asset	12,000	12,000
Total noncurrent assets	1,965,063	1,744,552
TOTAL ASSETS	$ 2,111,440	$ 2,165,324

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 26,378	$ 22,857
Accrued vacation	4,842	7,569
Current portion of lease liabilities	6,077	5,801
Deferred revenue	63,000	84,000
Total current liabilities	100,297	120,227
NONCURRENT LIABILITIES		
Long-term portion of lease liabilities	13,036	19,113
Total noncurrent liabilities	13,036	19,113
TOTAL LIABILITIES	113,333	139,340
NET ASSETS		
Without donor restriction	1,521,699	1,418,291
With donor restriction	476,408	607,693
Total net assets	1,998,107	2,025,984
TOTAL LIABILITIES AND NET ASSETS	$ 2,111,440	$ 2,165,324

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF DELAWARE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions and grants			
Corporate	$ 186,741	$ -	$ 186,741
Individual	18,348	191,360	209,708
Foundation	149,283	-	149,283
Contributions of nonfinancial assets	4,500	-	4,500
Total contributions and grants	358,872	191,360	550,232
Special events, net of expenses of $27,279	19,178	-	19,178
Governmental income	371,712	217,783	589,495
Endowment fund unrealized gain	-	15,699	15,699
Interest income	3,392	-	3,392
Other income	16,706	-	16,706
	410,988	233,482	644,470
Net assets released from restriction	556,127	(556,127)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,325,987	(131,285)	1,194,702
EXPENSES			
Program	920,992	-	920,992
General and administrative	204,428	-	204,428
Fundraising	97,159	-	97,159
TOTAL EXPENSES	1,222,579	-	1,222,579
CHANGE IN NET ASSETS	103,408	(131,285)	(27,877)
NET ASSETS - BEGINNING OF YEAR	1,418,291	607,693	2,025,984
NET ASSETS - END OF YEAR	$ 1,521,699	$ 476,408	$ 1,998,107

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF DELAWARE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions and grants			
Corporate	$ 396,293	$ 51,895	$ 448,188
Individual	102,336	-	102,336
Foundation	-	245,238	245,238
Contributions of nonfinancial assets	112,396	-	112,396
Total contributions and grants	611,025	297,133	908,158
Special events, net of expenses of $8,789	41,303	-	41,303
Governmental income	328,959	45,581	374,540
Endowment fund unrealized gain	-	13,620	13,620
Interest income	3,952	-	3,952
Other income	21,369	-	21,369
	395,583	59,201	454,784
Net assets released from restriction	475,148	(475,148)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,481,756	(118,814)	1,362,942
EXPENSES			
Program	914,180	-	914,180
General and administrative	202,643	-	202,643
Fundraising	90,873	-	90,873
TOTAL EXPENSES	1,207,696	-	1,207,696
CHANGE IN NET ASSETS	274,060	(118,814)	155,246
NET ASSETS - BEGINNING OF YEAR	1,144,231	726,507	1,870,738
NET ASSETS - END OF YEAR	$ 1,418,291	$ 607,693	$ 2,025,984

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF DELAWARE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

	Program	General & Administrative	Fund Raising	Total
Bad Debts	$ -	$ 50	$ -	$ 50
Condo fees	10,234	3,411	-	13,645
Depreciation	123,383	41,128	-	164,511
Donated services	-	-	-	-
Employee benefits	82,077	16,498	7,797	106,372
Insurance	7,157	2,385	-	9,542
Interest expense	779	259	-	1,038
Occupancy	2,201	734	-	2,935
Local travel	4,111	-	-	4,111
Maintenance/janitorial	31,209	10,403	-	41,612
Office expense	24,307	8,685	985	33,977
Payroll	366,322	81,989	77,259	525,570
Payroll taxes	27,037	5,875	5,736	38,648
Professional fees	36,665	25,706	3,685	66,056
Program expense	179,510	-	-	179,510
Public relations	2,774	347	347	3,468
Staff training	102	-	-	102
Telephone	6,298	1,350	1,350	8,998
Utilities	16,826	5,608	-	22,434
	$ 920,992	$ 204,428	$ 97,159	$ 1,222,579

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF DELAWARE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	Program	General & Administrative	Fund Raising	Total
Bad Debts	$ -	$ 300	$ -	$ 300
Condo fees	10,234	3,411	-	13,645
Depreciation	88,264	29,421	-	117,685
Donated services	81,297	27,099	-	108,396
Employee benefits	74,920	15,474	7,541	97,935
Insurance	5,904	1,968	-	7,872
Interest expense	-	1,302	-	1,302
Occupancy	3,323	1,108	-	4,431
Local travel	3,623	-	-	3,623
Maintenance/janitorial	20,913	6,971	-	27,884
Office expense	19,105	12,019	970	32,094
Payroll	340,476	76,204	71,808	488,488
Payroll taxes	24,708	5,294	5,294	35,296
Professional fees	27,574	14,905	2,819	45,298
Program expense	180,115	-	-	180,115
Public relations	11,158	620	620	12,398
Staff training	255	85	65	405
Telephone	8,194	1,756	1,756	11,706
Utilities	14,117	4,706	-	18,823
	$ 914,180	$ 202,643	$ 90,873	$ 1,207,696

See accompanying notes to financial statements.

JUNIOR ACHIEVEMENT OF DELAWARE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions, foundations, and corporations	$ 581,160	$ 874,211
Cash received from governmental sources	589,495	374,540
Cash received from other operating sources	35,884	62,672
Cash paid to employees, suppliers and vendors	(1,084,144)	(972,163)
Cash received from interest and dividends	3,392	3,952
Cash paid for interest	(1,038)	(1,302)
Net cash provided by operating activities	124,749	341,910
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(333,320)	(248,880)
Acquisition of other assets	(36,500)	-
Net cash (used for) investing activities	(369,820)	(248,880)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of finance lease obligations (net)	289	553
Net cash provided by financing activities	289	553
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(244,782)	93,583
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	365,628	272,045
CASH AND CASH EQUIVALENTS END OF YEAR	$ 120,846	$ 365,628
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 1,038	$ 1,302
NONCASH INVESTING AND FINANCING ACTIVITIES		
Donated services	$ 4,500	$ 112,396

See accompanying notes to financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of Junior Achievement

The mission of Junior Achievement of Delaware, Inc. is to inspire and prepare young people to succeed in both the local and global economy through work readiness, entrepreneurship, and financial literacy.

This is accomplished through a diverse portfolio of robust, volunteer-led programs spanning kindergarten through twelfth grade. These include JA Biztown, and JA Finance Park, which comprise Junior Achievement of Delaware, Inc.'s one-of-a-kind 13,000 square foot experiential learning center, called JA Campus.

At the JA Campus, students become "adults for a day", are making critical financial, educational and career decisions in an environment where the consequences are real enough to make an indelible educational impact.

Financial Reporting Framework

The financial position and results of activities of Junior Achievement of Delaware, Inc. (or the Entity) have been reported on an acceptable financial reporting framework. The financial reporting framework used by the Entity is U.S. generally accepted accounting principles (GAAP). Under this financial reporting framework, revenues are recognized in the period when earned and expenses are recorded when a liability is incurred.

Basis of Financial Statement Presentation

The financial statement presentation is presented in accordance with Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, which requires the Entity to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. The net assets and revenues, expenses, gains and losses are classified based on the existence of, or the absence of, donor-imposed restrictions. Accordingly, net assets and changes therein are classified as described hereinafter.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets

Separate line items may be reported within net assets with donor restrictions or in notes to financial statements to distinguish between various types of donor-imposed restrictions, including the following:

a) Assets donated with stipulations that they be invested to provide a permanent source of income. These result from gifts and bequests that create a donor-restricted endowment that is perpetual in nature,
b) Support of a particular operating activity,
c) Use in a specified future period.

Junior Achievement of Delaware, Inc., as previously disclosed, reports its net assets as either net asset without donor restrictions or net assets with donor restrictions. Separate line items are disclosed in Note G to distinguish the donor- imposed restrictions at June 30, 2025.

Pervasiveness of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates and assumptions include but are not limited to accounts receivable and promises to give and the related allowance for uncollectible accounts, useful lives selected for depreciating property and equipment, the timing of the recognition of certain revenue, and reserves for contingencies of program or grant audits. Management bases its estimates and assumptions on historical experience and on various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Management does not believe that any of its estimates involve assumptions that are highly uncertain or that different, reasonable estimates, or changes in accounting estimates that are reasonably likely to occur, would have a material impact on the financial statements. To the extent there are material differences between management's estimates and actual results, future results of operations will not be affected.

Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with remaining maturities of three months or less.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

The Entity recognizes pledges as support in the period in which the unconditional promise to give is received. Pledges are recorded after being discounted to the anticipated net present value of the future cash flows, when material.

The Entity adheres to accounting guidance required by generally accepted accounting principles issued in ASC 958-605 – *Not-For-Profit Entities – Revenue Recognition*. The key provisions in this guidance include clarification of accounting for grants and contracts as exchange transactions or contributions and improve guidance to distinguish between conditional and unconditional contributions. The Entity has updated these statements accordingly.

Property and Equipment

Property and equipment are stated at cost, if purchased. Donated assets are capitalized at their fair value at the date of the gift. The Entity follows the practice of capitalizing all expenditures for property and equipment in excess of $1,000. Expenses for maintenance and repairs are charged to expense as incurred; costs of renewals and betterments are capitalized.

When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities.

Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset.

Compensated Absences

In accordance with ASC 710-10-25 – *Compensated Absences*, the Entity has recorded a vacation accrual in the financial statements as of June 30, 2025 and 2024 amounting to $4,842 and $7,569, respectively.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Support Fees

Junior Achievement of Delaware, Inc. is required to pay program and support fees according to a scale established by its national affiliate. For the year ended June 30, 2025 and years succeeding 2020, Junior Achievement USA requested that the local affiliates classify these fees as program service expense. As such, Junior Achievement of Delaware has not reported franchise fees for the years ended June 30, 2025 and 2024.

Revenue Recognition

The Entity adopted ASC 606 – *Revenue from Contracts with Customers*. ASC 606 applies to substantially all entities including non-profit entities. The fundamental principle of this new accounting guidance is that non-profit entities should recognize revenue in a manner that reflects the timing of the transfer of goods and services to customers in an amount that reflects the consideration that the Entity expects to receive from such transfers.

The Entity adheres to ASC 958-605, *Not for Profit Entities Revenue Recognition,* in recording contributions received. Contributions received are recorded as with or without donor restricted support, depending on the existence and, if applicable, the nature of donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses by Nature and Function

The cost of providing various program and supporting activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Activities that represent direct conduct on supervision of program or other supporting activities are allocated to such programs and generally from management and general expense. Additionally, certain cost benefit more than one function, and therefore allocated accordingly. Overhead is allocated based on payroll cost, square footage or programming.

Income Taxes

Junior Achievement of Delaware, Inc. is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in the financial statements. In addition, the Entity has been classified as one that is not a private foundation within the meaning of Section 509 (a) of the Internal Revenue Code and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Although the Entity is not subject to federal and state income taxes, the Entity is required to adhere to ASC 740 - *Accounting for Income Taxes*, which applies to all entities including those that are tax exempt under 501(c)(3). ASC 740 clarifies the accounting and reporting for income taxes where interpretation of the tax law may be uncertain. ASC 740 prescribes a comprehensive model for the financial statement's recognition, measurement, presentation and disclosure of income tax uncertainties with respect to positions taken or expected to be taken in income tax returns.

Management has reviewed its current and past federal income tax positions and has determined, based on clear and unambiguous tax law and regulations, that the tax positions taken are certain and that there is no likelihood that a material tax assessment would be made if the respective government agency examined tax returns subject to audit. Accordingly, no provision for the effects of uncertain tax positions has been recorded.

Currently, the June 30, 2022, 2023 and 2024 tax years are open and subject to examination by the Internal Revenue Service; however, the Entity is not currently under audit nor has the Entity been contacted by this jurisdiction. Any interest and penalties related to income taxes would be recorded as income tax expense. There are no interest and penalties as of June 30, 2025 and 2024.

NOTE B – ADOPTION OF ASC 326 – FINANCIAL STATEMENTS – CREDIT LOSSES

The Entity has adopted ASC 326 – *Financial Instruments – Credit Losses*, effective July 1, 2023. Topic 326 introduces a new model for estimating credit losses on financial instruments, including trade receivables.

Under ASC 326, the Entity utilizes a forward-looking expected credit loss model to estimate credit losses on its financial instruments. This involves assessing the probability of default, the severity of loss given default, and considering reasonable and supportable forecasts over the contractual term of the financial statements.

The adoption of ASC 326 did not have a material impact on the financial statements of the Entity. The Entity has assessed the historical credit loss experience, current economic conditions, subsequent collections, and reasonable and supportable forecasts to determine the appropriate level of allowance for credit losses on its financial instruments.

Management continues to monitor and assess the credit risk associated with its financial instruments, incorporating relevant economic factors and industry trends into its ongoing evaluation of expected credit losses. The Entity believes that the adoption of ASC 326 enhances the transparency and accuracy of its financial reporting related to credit losses on financial instruments.

Accounts receivable and allowance for credit losses were $15,512 and $0 at June 30, 2025 and $46,440 and $0 at June 30, 2024, respectively.

NOTE C - ENDOWMENTS AND BENEFICIAL OWNERSHIP IN ENDOWMENT

Junior Achievement of Delaware, Inc.'s endowment fund contains two memorial sub-funds for the purpose of providing scholarships. (These sub-funds were segregated by JA of Delaware in memory of the individuals for which the funds are named. There is no documentation that requires JA of DE to use these funds for scholarships.) As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. There are no perpetual endowments.

NOTE C- ENDOWMENTS AND BENEFICIAL OWNERSHIP IN ENDOWMENT (CONTINUED)

Junior Achievement is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until the Board of Directors appropriates such amounts for expenditure and any other purpose restrictions have been met. The Board of Directors of Junior Achievement USA has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, Junior Achievement considers a fund to be underwater when the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gifts amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. Junior Achievement has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, Junior Achievement 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 purposes of the Entity 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 resources of the Entity
(7) The investment policies of Junior Achievement

Endowments

Endowments consisted of the following at June 30, 2025 and 2024:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Beverley Jones Scholarship Fund	$ 36,911	$ 51,826	$ 19,421	$ 21,687

NOTE C - ENDOWMENTS AND BENEFICIAL OWNERSHIP IN ENDOWMENT (CONTINUED)

Endowments (continued)

Return objectives and risk parameters have been established by the Entity, as there is a formal investment and spending policy.

Endowment funds net asset composition by type of fund as of June 30, 2025 is as follows

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Beverley Jones Scholarship funds	$ -	$ 51,826	$ 51,826
Total funds	$ -	$ 51,826	$ 51,826

Changes in endowment funds net assets as of June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment funds net assets,			
Beginning of year	$ -	$ 21,687	$ 21,687
Contributions	-	199,259	199,259
Distributions	-	(172,822)	(172,822)
Realized and unrealized (loss)	-	3,549	3,549
Interest income	-	476	476
Investment fees	-	(323)	(323)
Endowment funds net assets, end of year	$ -	$ 51,826	$ 51,826

NOTE C - ENDOWMENTS AND BENEFICIAL OWNERSHIP IN ENDOWMENT (CONTINUED)

Endowments (continued)

Changes in endowment funds net assets as of June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment funds net assets,			
Beginning of year	$ -	$ 33,837	$ 33,837
Contributions	-	-	-
Distributions	-	(15,165)	(15,165)
Realized and unrealized (loss)	-	2,407	2,407
Interest income	-	1,002	1,002
Investment fees	-	(394)	(394)
Endowment funds net assets, end of year	$ -	$ 21,687	$ 21,687

The Beverly Jones Scholarship Fund also has funds in a money market account. These funds are included in restricted net assets. The balances in the money market account were $351 and $9,451 at June 30, 2025 and June 30, 2024, respectively.

Beneficial Ownership in Endowments

Beneficial Ownership in Endowments consisted of the following at June 30, 2025 and 2024:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Endowment	*	$ 91,264	*	$101,616
McIntosh Scholarship	*	5,379	*	5,047
Montebell Scholarship	*	17,642	*	16,469
Total held at Delaware Community Foundation	$ 23,838	$114,285	$ 44,836	$123,132

**Original cost basis is only known at the net amount.*

NOTE C - ENDOWMENTS AND BENEFICIAL OWNERSHIP IN ENDOWMENT (CONTINUED)

Beneficial Ownership in Endowments (continued)

Return objectives and risk parameters have been established by the Entity, as there is a formal investment and spending policy.

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Beneficial Ownership in Endowment funds	$ -	$ 114,285	$ 114,285
Total funds	$ -	$ 114,285	$ 114,285

Changes in beneficial ownership in endowment net assets as of June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Beneficial Ownership in Endowment net assets,			
Beginning of year	$ -	$ 123,132	$ 123,132
Contributions	-	-	-
Distributions	-	(22,185)	(22,185)
Realized and unrealized (loss)	-	12,151	12,151
Interest income	-	2,693	2,693
Investment fees	-	(1,506)	(1,506)
Beneficial Ownership in Endowment net assets	$ -	$ 114,285	$ 114,285

NOTE C - INVESTMENTS AND BENEFICIAL OWNERSHIP IN ENDOWMENT (CONTINUED)

Beneficial Ownership in Endowments (continued)

Changes in beneficial ownership in endowment net assets as of June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assets,			
Beginning of year	$ -	$ 111,432	$ 111,432
Contributions	-	-	-
Distributions	-	(1,000)	(1,000)
Realized and unrealized loss	-	11,666	11,666
Interest income	-	2,707	2,707
Investment fees	-	(1,673)	(1,673)
Endowment net assets, end of year	$ -	$ 123,132	$ 123,132

NOTE D - FAIR VALUE MEASUREMENTS

The Entity adheres to ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

As a basis for considering assumptions, ASC 820 establishes a hierarchical framework for measuring fair value (the fair value hierarchy) as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities. Level 1 assets include money market funds, debt and equity securities that are traded in active exchange markets, as well as certain U.S. Treasury and other U.S. Governments and agencies that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The valuation methodologies used for assets measured at fair value may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, although the Entity believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Mutual Funds: Valued at the quoted net asset value.

The tables below present the financial instruments carried at fair value as of June 30, 2025 and 2024 by ASC 820 valuation hierarchy defined above.

June 30, 2025	Fair Value	(Level 1)	(Level 2)	(Level 3)
Mutual Funds	$ 51,826	$ 51,826	$ -	$ -
Endowment	91,264	-	91,264	-
McIntosh Scholarship	5,379	-	5,379	-
Montebell Scholarship	17,642	-	17,642	-
	$ 166,111	$ 51,826	$ 114,285	$ -

June 30, 2024	Fair Value	(Level 1)	(Level 2)	(Level 3)
Mutual Funds	$ 21,687	$ 21,687	$ -	$ -
Endowment	101,616	-	101,616	-
McIntosh Scholarship	5,047	-	5,047	-
Montebell Scholarship	16,469	-	16,469	-
	$ 144,819	$ 21,687	$ 123,132	$ -

NOTE E - PROPERTY AND EQUIPMENT AND DEPRECIATION

A summary of property and equipment is as follows:

	2025	2024
Building	$ 507,819	$ 437,710
Building additions	2,223,467	2,107,110
Equipment	139,232	574,885
Furniture and fixtures	34,236	72,450
Information technology	480,015	627,484
Construction in Progress	21,560	138,377
	3,406,329	3,958,016
Less: accumulated depreciation	(1,739,993)	(2,460,489)
	$ 1,666,336	$ 1,497,527

Depreciation expense for the years ended June 30, 2025 and 2024 amounted to $158,421 and $117,685, respectively.

NOTE F - LINE OF CREDIT

Junior Achievement of Delaware, Inc. has available a revolving line of credit from its principal bank in the amount of $150,000. Borrowings against the line are due on demand, require interest at a variable threshold based on the Wall Street Journal prime rate plus 1.5%. (7.5% as of June 30, 2025) Fees are ½% or $750 and are collateralized by business assets.

There are no borrowings outstanding against the line at of June 30, 2025 and 2024.

NOTE G - RESTRICTED NET ASSETS

Restricted net assets are available for the following purposes as of June 30, 2025 and 2024

	2025	2024
Capability campaign	$ 300,085	$ 333,423
Endowment fund	91,264	101,616
Scholarship funds	74,708	43,203
Financial literacy fund	10,351	129,451
	$ 476,408	$ 607,693

The Entity has $300,085 in Capability Campiagn restricted net assets at June 30, 2025. During 2025, management expended $230,085 to meet operating cash flow deficits. Such funds had previously been earmarked to meet certain restricted requirements. Management, prior to “borrowing” such funds, needed to obtain the approval from the original donor to utilize such funds for operating purposes with the condition that such amounts used be replenished. Management has the intention of repaying such amounts, however, in addition to the matter described heretofore, other events, as described in Note P, have created a going concern consideration.

NOTE H - SPECIAL EVENTS

	2025		
	Revenue	Expenses	Net Proceeds
Delaware Business Leaders			
Hall of Fame	$ 42,756	$ (10,527)	$ 32,229
Other Events	3,701	(16,752)	(13,051)
	$ 46,457	$ (27,279)	$ 19,178

	2024		
	Revenue	Expenses	Net Proceeds
Delaware Business Leaders			
Hall of Fame	$ 38,292	$ (8,789)	$ 29,503
Other Events	11,800	-	11,800
	$ 50,092	$ (8,789)	$ 41,303

NOTE I - 401(k) PROFIT-SHARING PLAN

Starting on July 1, 2021, the Entity implemented a 401(k) multiple employer profit-sharing plan covering substantially all employees. The Entity's contributions to the plan are determined annually by the Junior Achievement Board of Directors. Contributions to the plan were $6,523 and $4,866 for the years ended June 30, 2025 and 2024, respectively.

NOTE J - HEALTH AND WELFARE BENEFITS TRUST

Health and Welfare Benefits Trust

The Entity has a self-funded medical, dental and other benefits plan covering full-time employees of the Entity 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 Entity, 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 Entity.

The following represents summarized financial information pertaining to the Benefits Trust as of and for the year ended June 30, 2025 and 2024:

	2025	2024
Assets	$ 9,754,672	$ 7,907,107
Liabilities	261,500	251,295
Net assets	$ 9,493,172	$ 7,655,812
Additions to net assets	$ 12,644,769	$ 11,743,948
Deductions from net assets	10,807,409	9,685,105
Change in net assets	1,837,360	2,058,843
Net assets, beginning of year	7,655,812	5,596,969
Net assets, end of year	$ 9,493,172	$ 7,655,812

NOTE J - HEALTH AND WELFARE BENEFITS TRUST (CONTINUED)

Health and Welfare Benefits Trust (continued)

In addition to the summarized financial information presented above, the Benefits Trust also reports in the notes to the April 30, 2025 and 2024, audited financial statements, claims payable of $283,952 and $242,639, respectively, and claims incurred but not reported of $600,042 and $389,738, respectively. The obligation for claims incurred but not reported is not recorded in the Benefits Trust's statements of net assets available for benefits.

Postretirement Benefits Plan

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 Entity does not believe the implicit rate subsidy amount to be material to the Entity, especially since the plan is a multi-employer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the consolidated financial statements of the Entity.

Total Postretirement Plan Information

A June 30 measurement date is used for the Postretirement Plan. Significant balances, costs and assumptions are:

	2025	2024
Benefit obligation	$ (3,900,602)	$ (3,947,154)
Fair value of plan assets	-	-
Underfunded status	$ (3,900,602)	$ (3,947,154)
Accumulated benefit obligation	$ (3,900,602)	$ (3,947,154)

Weighted-average assumptions used to determine benefit obligations at June 30, 2025 and 2024:

	2025	2024
Discount rate	5.50%	5.50%
Rate of compensation increase	3.50%	4.00%

NOTE J - HEALTH AND WELFARE BENEFITS TRUST (CONTINUED)

Total Postretirement Plan Information (continued)

Weighted-average assumptions used to determine benefit costs at June 30, 2025 and 2024:

	2025	2024
Discount rate	5.50%	5.25%
Rate of compensation increase	4.00%	4.00%

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2025:

2026	$ 288,169
2027	278,711
2028	275,696
2029	269,548
2030	285,734
2030 to 2034	1,532,795
	$ 2,930,653

Junior Achievement of Delaware, Inc.'s premium expense for the Health and Welfare Plan for the years June 30, 2025 and 2024amounted to $99,849 and $93,069, respectively.

NOTE K - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, one member of the Entity's board of directors was affiliated with a financial institution where the Entity maintains deposit accounts. Also, a member of the Entity's board of directors manages cash investments in mutual funds. Assurance Media has been contracted to install new AV equipment and badge access (a board director is their Director of Operations). The Entity also contracted Erin Gerald Affiliates to develop an app (a board director is employed there).

NOTE L - LIQUIDITY

As a part of Junior Achievement of Delaware, Inc.'s liquidity management, investments of cash in excess of daily requirements are made in short-term investments. Management, along with the board, has set a goal to build cash reserves to meet or exceed 50% of the prior year's cash expenditures, one of the five metrics set by JA USA. To this end, a $300,000 cash on hand fund has been endowed by a single donor. As of June 30, 2025, the balance of this fund is $70,004. Though technically restricted, the donor will allow the Entity to access these funds to meet short-term cash flow needs.

In the event of an unanticipated liquidity need, Junior Achievement of Delaware, Inc. could also draw upon the line of credit, of which, there is $150,000 available at year end.

Description		Amount
Cash and cash equivalents	$	120,846
Accounts receivable		15,512
Total liquid assets available		136,358
Less: donor restricted assets, not including endowment and scholarship fund restricted assets		310,436
Less: Scholarship funds in money market		351
Total financial liability for general expenditures within one year	$	(174,429)

NOTE M – LEASES

Effective July 1, 2023, the Entity adopted ASC 842, *Leases* which requires leases with durations of twelve months to be recognized on the statement of financial position using a modified retrospective approach. Accordingly, the Entity recognized a "Right of Use" asset and a "Lease Obligation" of $30,452 for a copier lease in July, 2023. The Entity used an incremental borrowing rate of 4.66%, which is the rate for the 20-year U.S. Treasury Bill spot-rate, to discount lease payments since the underlying lease did not provide a readily determinable implicit rate. In determining the discount rate, the Entity adopted ASC 842 - *Discount Rate for Leases That are not Public Business Entities*. This accounting standards update permits non-public entities a practical expedient, that allows an accounting policy election, to use a risk-free rate as a discount rate for all leases. The election is made by class of underlying asset.

NOTE M – LEASES (CONTINUED)

The components of lease expense for the year ended June 30, 2025 were as follows:

At June 30, 2025, the following were recorded on the statement of financial position:	
Operating lease	
Right of use asset	$ 18,271
Lease obligation - current	$ 6,077
Lease obligation - long-term	13,036
	$ 19,113
Weighted-average remaining lease term:	
Finance leases	3 years
Weighted-average discount rate for finance leases	
Finance leases	4.66%

The following table reconciles the undiscounted future minimum lease payments to the finance lease obligations recorded on the June 30, 2025 statement of financial position.

Year Ending June 30:	Amount
2026	$ 6,839
2027	6,839
2028	6,839
Total lease payments	20,517
Less: Present value discount	(1,404)
	$ 19,113

NOTE N – DONATED SERVICES

Contributions of services are recognized only if the services received require specialized skills, are provided by those individuals possessing those skills, and would have to be purchased if they were not provided by donation.

Contributions reflected as in-kind revenue are as follows:

	2025	2024
Accounting services	$ 4,500	$ 4,000
Consulting services	-	103,111
Printing services	-	5,285
	$ 4,500	$ 112,396

No other amounts have been reflected in the statements for contributed services as no objective basis is available to measure the value of such services. However, a substantial number of volunteers donated significant amounts of their time to assist in the Entity's program services.

NOTE O – CONCENTRATION – MAJOR SOURCE OF REVENUE

The Entity received a significant amount of its support from various grants and contracts provided by the State of Delaware. A substantial decrease in funding may have a negative impact on the Entity's ability to carry out its mission. In addition, the Entity received two donations totaling $189,159 from one donor during the current year and two grants from one donor totaling $250,000 during the prior year.

NOTE P – GOING CONCERN CONSIDERATION

The accompanying financial statements have been prepared assuming that the Entity will continue as a going concern. However, the Entity has experienced significant liquidity challenges during the current fiscal year, including an operating deficit and a draw down on restricted funds.

In accordance with ASC 205-40, *Presentation of Financial Statements-Going Concern*, management has a responsibility to evaluate whether conditions or events exist that raise substantial doubt about the Entity's ability to continue as a going concern for one year after the date the financial statements are issued.

NOTE P – GOING CONCERN CONSIDERATION (CONTINUED)

Conditions and Events

During the fiscal year 2025, the Entity experienced a temporary funding shortfall related to the timing of contributed revenue, which required management to borrow a portion of its restricted cash reserves. Management concluded that these conditions, when considered in the aggregate, raised substantial doubt about the Entity's ability to meet its obligations as they become due within one year after the date that the financial statements are issued. This conclusion was reached prior to considering the effects of management's mitigating plans.

Management's Plans

In response to these conditions, management has developed and is implementing a comprehensive plan to restore financial stability and ensure long-term viability. These plans include:

- Fiscal and Liquidity Management: Management has implemented initiatives to control operating expenses and has established a Sustainability Initiative, in collaboration with foundations and private donors, to secure long-term funding commitments.
- Operational Adaptations: The Entity is continuing to enhance its operational flexibility by expanding digital program delivery and virtual engagement opportunities, which provides mission continuity while managing costs.

Management has evaluated these plans and has concluded that it is probable they will be effectively implemented within the required timeframe.

After considering its plans, management has concluded that it is probable that the plans will mitigate the conditions that raised substantial doubt about the Entity's ability to continue as a going concern. Accordingly, management believes the Entity has sufficient cash flow to meet its obligations as they become due for a period of one year from the date these financial statements are issued.

The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE Q - SUBSEQUENT EVENTS

Management has reviewed and evaluated all subsequent events through December 11, 2025, which is the date the financial statements were available to be issued and has determined that there were no other matters that require adjustment or disclosure in the June 30, 2025 financial statements.