

Financial Statements

Junior Achievement of Canada

June 30, 2025

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Independent Auditor's Report

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To the Members of
Junior Achievement of Canada

Opinion

We have audited the financial statements of **Junior Achievement of Canada ("JA Canada")** which comprise the statement of financial position as at June 30, 2025, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **JA Canada** as at June 30, 2025, and its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 independent of JA Canada in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate JA Canada or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing JA Canada's financial reporting process.

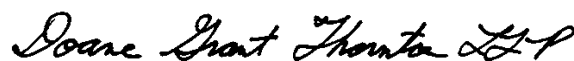
Auditor's Responsibility for the Audit of the Financial Statements

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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Toronto, Canada
November 12, 2025

Chartered Professional Accountants
Licensed Public Accountants

Junior Achievement of Canada

Statement of operations

Year ended June 30, 2025

	Operating Fund	Capital Asset Fund	Restricted Fund	2025 Total	2024 Total
Revenue					
Program direct	\$ 869,753	\$ -	\$ 2,315,708	\$ 3,185,461	\$ 3,029,550
Events	1,636,851	-	-	1,636,851	1,174,250
General contributions	1,468,098	-	-	1,468,098	1,750,213
Designated projects	871,932	361,195	-	1,233,127	1,068,460
Charter license fees	591,308	-	-	591,308	527,230
Miscellaneous and interest income	146,656	-	-	146,656	116,920
	<u>5,584,598</u>	<u>361,195</u>	<u>2,315,708</u>	<u>8,261,501</u>	<u>7,666,623</u>
Expenses					
Program direct	2,757,703	-	2,315,708	5,073,411	5,036,953
Marketing and events	1,020,667	-	-	1,020,667	1,064,929
General and administration	957,743	-	-	957,743	809,282
Resource development	453,248	-	-	453,248	347,171
Depreciation	-	369,532	-	369,532	316,477
Foreign exchange (gain) loss	(57,551)	-	-	(57,551)	5,587
Impairment of capital assets (Note 4)	-	373,308	-	373,308	-
	<u>5,131,810</u>	<u>742,840</u>	<u>2,315,708</u>	<u>8,190,358</u>	<u>7,580,400</u>
Excess (deficiency) of revenue over expenses	<u>\$ 452,788</u>	<u>\$ (381,645)</u>	<u>\$ -</u>	<u>\$ 71,143</u>	<u>\$ 86,223</u>

See accompanying notes to the financial statements.

Junior Achievement of Canada

Statement of changes in fund balances

Year ended June 30

	Operating Fund	Capital Asset Fund	Restricted Fund	2025 Total	2024 Total
Fund balances, beginning of the year	\$ 137,926	\$ 1,996,921	\$ 513,428	\$ 2,648,275	\$ 2,562,051
Excess (deficiency) of revenue over expenses	452,788	(381,645)	-	71,143	86,224
Interfund transfers	1,263,109	(1,263,109)			
Capital assets purchased	(4,729)	4,729	-	-	-
Fund balances, end of year	\$ 1,849,094	\$ 356,896	\$ 513,428	\$ 2,719,418	\$ 2,648,275

See accompanying notes to the financial statements.

Junior Achievement of Canada

Statement of financial position

June 30

	Operating Fund	Capital Asset Fund	Restricted Fund	2025 Total	2024 Total
Assets					
Current					
Cash and cash equivalents	\$ 1,992,724	\$ 162,916	\$ 507,216	\$ 2,662,856	\$ 1,338,499
Investments (Note 3)	486,572	-	513,428	1,000,000	1,000,000
Receivables					
Affiliated organizations	91,056	-	-	91,056	52,486
Other	342,072	-	-	342,072	539,699
Inventory	137,859	-	-	137,859	119,592
Prepays	285,288	-	-	285,288	124,056
	3,335,571	162,916	1,020,644	4,519,131	2,174,332
Capital assets (Note 4)	-	405,938	-	405,938	1,144,049
	<u>\$ 3,335,571</u>	<u>\$ 568,854</u>	<u>\$ 1,020,644</u>	<u>\$ 4,925,069</u>	<u>\$ 4,318,381</u>
Liabilities					
Current					
Payable and accruals	\$ 902,845	\$ -	\$ 22,853	\$ 925,698	\$ 595,319
Deferred revenue (Note 5)	583,632	-	484,363	1,067,995	316,936
	1,486,477	-	507,216	1,993,693	912,255
Long-term					
Deferred revenue (Note 5)	-	-	-	-	184,698
Deferred capital contributions (Note 6)	-	211,958	-	211,958	573,153
	1,486,477	211,958	507,216	2,205,651	1,670,106
Fund balances					
Invested in capital assets	-	193,980	-	193,980	1,834,005
Internally restricted	-	162,916	513,428	676,344	676,344
Unrestricted	1,849,094	-	-	585,985	137,926
	1,849,094	356,896	513,428	2,719,418	2,648,275
	<u>\$ 3,335,571</u>	<u>\$ 568,854</u>	<u>\$ 1,020,644</u>	<u>\$ 4,925,069</u>	<u>\$ 4,318,381</u>
Commitments (Note 7)					
Line of credit (Note 8)					
On behalf of the Board					

Director

Director

See accompanying notes to the financial statements.

Junior Achievement of Canada

Statement of cash flows

Year ended June 30

	Operating Fund	Capital Asset Fund	Restricted Fund	2025 Total	2024 Total
Increase (decrease) in cash and cash equivalents					
Operating activities					
Excess (deficiency) of revenue over expenses	\$ 452,788	\$ (381,645)	\$ -	\$ 71,143	\$ 86,224
Item not involving cash					
Depreciation of capital assets	-	369,532	-	369,532	316,477
Impairment of capital assets	-	373,308	-	373,308	-
Net change in non-cash working capital (Note 9)	509,332	(361,195)	366,966	515,103	(1,024,562)
	962,120	-	366,966	1,329,086	(621,861)
Investing activities					
Transfer of investments	(486,572)	486,572			
Purchase of capital assets	(4,729)	-	-	(4,729)	(393,222)
Disposition of (purchase of) investments	-	-	-	-	22,964
	(491,301)	486,572	-	(4,729)	(370,258)
Financing activities					
Repayment of CEBA loan	-	-	-	-	(40,000)
	-	-	-	-	(40,000)
Net (decrease) increase in cash and cash equivalents	470,819	486,572	366,966	1,324,357	(1,032,119)
Cash and cash equivalents, beginning of year	258,796	\$ 939,453	\$ 140,250	1,338,499	2,370,618
1,263,109					
Interfund transfers	1,263,109	(1,263,109)	-	-	-
Cash and cash equivalents, 1992724 end of year	\$ 1,992,724	\$ 162,916	\$ 507,216	\$ 2,662,856	\$ 1,338,499

See accompanying notes to the financial statements.

Junior Achievement of Canada

Notes to the financial statements

June 30, 2025

1. The organization

Junior Achievement of Canada ("JA Canada") is a registered charity, incorporated without share capital under the Canada Corporations Act. JA Canada's purpose is to provide practical economic and business education programs and experience for young people by working with the business and education communities. Delivery of the programs is provided by Charter licensed organizations and Program Delivery Affiliates. JA Canada maintains an operating agreement with each of its Canadian Chartered Organization affiliates from which it charges annual license fees of \$591,308 (2024 - \$527,230). In addition, JA Canada has a licensing agreement with its U.S. affiliate, JA Worldwide, to which it paid an annual licensing fee of \$211,055 (2024 - \$186,778).

The financial results of the Canadian Chartered Organizations are not included in these financial statements. As JA Canada is a registered charitable organization, it is exempt from income tax and may issue charitable donation receipts for income tax purposes.

2. Summary of significant accounting policies

Basis of presentation

Management of JA Canada has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

These financial statements include the accounts of JA Canada only. They do not include assets, liabilities or activities of any of the Canadian Chartered Organizations.

Fund accounting

JA Canada follows the deferral method of accounting for contributions.

Fund balances

JA Canada's financial statements have been prepared in a manner that segregates the fund balances as follows:

The **Operating Fund** consists of a set of accounts that report all day-to-day activities including the development of new programs and the renewal of programs, the revenues and expenses associated with the Canadian Business Hall of Fame ("CBHF"), contributions from external sources set out for specific purposes but are part of the operations of the business, and related investment income related to internally restricted funds. At year end, internal transfer was made to transfer funds from Capital Asset Fund to the Operating Fund.

The **Capital Asset Fund** reports the assets, liabilities, revenues and expenses relating to JA Canada's capital assets.

In a prior year, an amount of \$400,000 was internally restricted by the board of directors and transferred into the Capital Asset Fund out of proceeds. These funds were earmarked for planned investment in digital capital assets, which amounted to \$Nil in the current year (\$237,084 2024) and a remaining balance of \$162,916 for future digital capital investment.

Junior Achievement of Canada

Notes to the financial statements

June 30, 2025

2. Summary of significant accounting policies (continued)

The **Restricted Fund** consists of a set of accounts which report contributions externally restricted by donors for specified programs or projects, as well as internally restricted funds including reserves and endowment contributions. Use of restricted funds requires approval from the JA Canada board of directors.

Donations for endowment purposes are recorded as segregated from other restricted amounts and can be invested per the JA Canada investment policy. Income generated from the endowment is recorded separately from the contributed donations.

Financial instruments

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year they are incurred.

Subsequent measurement

At each reporting date, JA Canada measures its financial assets and liabilities at cost or amortized cost less impairment in the case of financial assets except for investment in preferred shares and common shares which are measured at fair value. All changes in fair value are reflected in the statement of operations. JA Canada used the effective interest rate method to amortize any premiums, transaction costs and financing fees in the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, term deposits, receivables, payables and bank overdraft.

For financial assets measured at cost or amortized cost, JA Canada regularly assesses whether there are any indications of impairment. If there is an indication of impairment and JA Canada determines there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Capital assets

Capital assets are recorded at cost less amortization and impairment. Third party and certain internally allocated costs are capitalized under digital assets.

All capital assets are amortized on a straight-line basis over their estimated useful lives at the following annual rates:

Computer hardware	- 3 years
Digital assets	- 5-8 years

Junior Achievement of Canada

Notes to the financial statements

June 30, 2025

2. Summary of significant accounting policies (continued)

Capital assets (continued)

When a capital asset no longer has any long-term service potential to JA Canada, the differential of its net carrying amount and any residual value, is recognized as a gain or loss, as appropriate, in the statements of operations.

Investments

Reserve funds and endowment contributions and a portion of unrestricted funds are invested in money market funds and are recorded at fair market value with changes in fair value reported in the statement of operations.

Contributions

Restricted contributions received for the purpose of capital assets are recorded as deferred capital contributions related to capital assets and are amortized on the same basis as the related capital assets.

Revenue recognition

JA Canada follows the deferral method of accounting for contributions.

Donated services or assets are recognized when a fair value can be reasonably estimated and when the services or assets normally would have been acquired if not donated. Advance billings include amounts received in respect of events taking place in the following fiscal year. Unrestricted contributions are recognized as revenue in the year the funds are received or receivable if the amounts to be received can be reasonably estimated. Donor restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue at the same rate of amortization as the related capital asset. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Endowment income

Endowment income is recorded annually in a separate account to offset research and development costs and scholarship awards. The amount cannot exceed actual research and development costs incurred or scholarships awarded during the year otherwise it is recorded for future use for these purposes.

Cash and cash equivalents

JA Canada considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents.

Junior Achievement of Canada

Notes to the financial statements

June 30, 2025

2. Summary of significant accounting policies (continued)

Use of estimates

Management reviews the carrying amounts of items in the financial statement on each balance sheet date for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to the Statement of Operations as appropriate in the year they become known. Items subject to significant management estimates include inventory obsolescence, allowance for doubtful accounts and amortization of capital assets and its estimate of useful lives.

Contributed services

Contributed materials that are used in the normal course of operations and would otherwise have been purchased are recorded in the financial statements at the time of contribution, if a fair value can be reasonably estimated.

JA Canada benefits substantially from services in the form of volunteer time. These invaluable services are not recorded in these financial statements due to the difficulty in determining their fair value.

3. Investments

	<u>2025</u>	<u>2024</u>
Marketable securities	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

These financial instruments are recorded at fair market value as at June 30, 2025 and 2024. The marketable securities are interest bearing at of prime minus 2.45% (prime as at June 30, 2025 is 4.95%) and maturing on May 13, 2026. (2024 - prime was 4.70% and maturing on May 3, 2025)

4. Capital assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2025 Net Book Value</u>	<u>2024 Net Book Value</u>
Computer – hardware	\$ 30,290	\$ (24,420)	\$ 5,870	\$ 9,479
Digital assets	<u>1,805,974</u>	<u>(1,405,907)</u>	<u>400,068</u>	<u>1,134,570</u>
	<u>\$ 1,836,264</u>	<u>\$ (1,430,326)</u>	<u>\$ 405,938</u>	<u>\$ 1,144,049</u>

Management reviewed the useful life of the capital assets and determined there was impairment in the customer relationship management system related to its original build included in digital assets and wrote off \$373,308 of the remaining balance pertaining to the system.

Junior Achievement of Canada

Notes to the financial statements

June 30, 2025

5. Deferred revenues

In the prior year, JA Canada entered into an agreement with a third party for fees of \$360,000 which initially covered a period of eight years commencing August 2023. During the prior year, \$147,246 of the \$360,000 was recognized as general contributions and the remaining \$212,754 was recognized as deferred contributions. Prior to year end management determined that the agreement would be terminated and as a result, management decided to recognize the remaining deferred contributions of \$212,754 into general contributions.

6. Deferred capital contributions

Deferred capital contributions related to capital assets and restricted for programs represent the unamortized amount of funds received for the purchase/development of capital assets and restricted program funding respectively.

7. Commitments

JA Canada leases office facilities under an operating lease agreement. As at June 30, 2025, the future minimum annual lease commitment remaining under this lease is as follows:

2025	\$	4,208
2026		1,860
2027		310
	\$	<u>6,378</u>

8. Line of credit

JA Canada has available an operating line of credit to the maximum of \$300,000 at prime plus 0.5% and is unsecured. At year end June 30, 2025, the maximum facility remains available.

9. Change in non-cash operating working capital

	Operating Fund	Capital Asset Fund	Restricted Fund	2025	2024
Receivables from affiliated					
Organizations	\$ (38,571)	\$ -	\$ -	\$ (38,571)	\$ (10,231)
Other receivables	167,626	-	30,000	197,626	(286,581)
Prepays	(161,232)	-	-	(161,232)	(9,121)
Payables and accruals	337,528	-	(7,147)	330,382	(155,848)
Inventory	(18,267)	-	-	(18,267)	(7,467)
Deferred revenue	222,248	-	344,113	566,361	(255,071)
Deferred capital contributions	-	(361,195)	-	(361,195)	(300,243)
	\$ 509,332	\$ (361,195)	\$ 366,966	\$ 515,103	\$ (1,024,562)

Junior Achievement of Canada

Notes to the financial statements

June 30, 2025

10. Capital

JA Canada's main objective when managing capital is to safeguard its ability to operate as a going concern, so that it can continue to provide services and benefits to its benefactors and careholders, including Charters, as well as meet donor obligations and any third-party service commitments.

The capital structure of JA Canada consists of cash and cash equivalents and net assets comprised of accumulated fund balances in operating funds, capital asset funds, and restricted funds as described in Note 2. JA Canada manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. JA Canada is not subject to any externally imposed capital requirements; however, endowment contributions, some grants, and some donations have conditions setting out the activities or other expenditures for which the funds may be used.

11. Financial instrument risk

JA Canada's main financial instrument risk exposure is detailed as follows:

Credit risk

JA Canada has determined that the financial assets with credit risk exposure are receivables since failure from any of these parties to fulfil their obligations would result in significant financial losses for JA Canada. JA Canada has included a provision for their receivables of \$Nil (2024 - \$Nil). JA Canada is also exposed to concentration risk in that all of its cash is held with two financial institution and the balances held are in excess of Canadian Deposit Insurance Corporation limits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. JA Canada is exposed to interest rate risk in respect to investments in term deposits.

Liquidity risk

Liquidity risk is the risk of being unable to settle or meet commitments as they come due. Liquidity risk is managed by ensuring the invests in high quality investments easily disposed of in an active market.

12. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.