

**JUNIOR ACHIEVEMENT
OF EASTERN MASSACHUSETTS, INC.**

Financial Statements
For the Years Ended June 30, 2009 and 2008
and Independent Auditors' Report

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Junior Achievement of Eastern Massachusetts, Inc.
Boston, Massachusetts

We have audited the accompanying statements of financial position of Junior Achievement of Eastern Massachusetts, Inc., a nonprofit organization, as of June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of Eastern Massachusetts, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Walsh, Jastrem & Browne, LLP

December 15, 2009

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
ASSETS:		
Cash	\$ 204,387	\$ 331,599
Investments, at fair value	503,509	632,851
Pledges receivable, net	169,141	331,434
Other receivables	-	44,925
Inventory	1,154	2,305
Prepaid expenses	6,668	28,539
Security deposits	5,927	5,927
Property and equipment, net	<u>24,380</u>	<u>31,307</u>
Total assets	<u>\$ 915,166</u>	<u>\$ 1,408,887</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 57,197	\$ 34,360
Deferred revenue	70,250	48,775
Deferred rent	<u>11,216</u>	<u>18,858</u>
Total liabilities	<u>138,663</u>	<u>101,993</u>
NET ASSETS:		
Unrestricted	231,730	532,247
Temporarily restricted	-	103,551
Permanently restricted	<u>544,773</u>	<u>671,096</u>
Total net assets	<u>776,503</u>	<u>1,306,894</u>
Total liabilities and net assets	<u>\$ 915,166</u>	<u>\$ 1,408,887</u>

See notes to financial statements.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES:							
Program and support revenues	\$ 649,180	\$ -	\$ 6,257	\$ 816,367	\$ 125,000	\$ 1,410	\$ 942,777
Special events	723,312	-	-	868,263	-	-	868,263
Interest and dividend income	90	-	10,903	5,816	-	9,307	15,123
Net realized and unrealized loss on investments	-	-	(132,580)	-	-	(10,653)	(10,653)
Other income	4,651	-	-	2,462	-	-	2,462
TOTAL REVENUES	<u>1,377,233</u>	<u>-</u>	<u>(115,420)</u>	<u>1,692,908</u>	<u>125,000</u>	<u>64</u>	<u>1,817,972</u>
Net assets released from restrictions - payment satisfied restriction	103,551	(103,551)	-	129,338	(129,338)	-	-
TOTAL REVENUES AND RECLASSIFICATIONS	<u>1,480,784</u>	<u>(103,551)</u>	<u>(115,420)</u>	<u>1,822,246</u>	<u>(4,338)</u>	<u>64</u>	<u>1,817,972</u>
EXPENSES:							
Program expenses	927,971	-	-	847,276	-	-	847,276
Fund raising	347,581	-	-	437,049	-	-	437,049
Special events	309,631	-	-	377,652	-	-	377,652
General and administrative	207,021	-	-	151,226	-	-	151,226
Total expenses	<u>1,792,204</u>	<u>-</u>	<u>-</u>	<u>1,813,203</u>	<u>-</u>	<u>-</u>	<u>1,813,203</u>
CHANGE IN NET ASSETS	<u>(311,420)</u>	<u>(103,551)</u>	<u>(115,420)</u>	<u>9,043</u>	<u>(4,338)</u>	<u>64</u>	<u>4,769</u>
Transfer of interest and dividend income	10,903	-	(10,903)	9,307	-	(9,307)	-
NET ASSETS AT BEGINNING OF YEAR	<u>532,247</u>	<u>103,551</u>	<u>671,096</u>	<u>513,897</u>	<u>107,889</u>	<u>680,339</u>	<u>1,302,125</u>
NET ASSETS AT END OF YEAR	<u>\$ 231,730</u>	<u>\$ -</u>	<u>\$ 544,773</u>	<u>\$ 532,247</u>	<u>\$ 103,551</u>	<u>\$ 671,096</u>	<u>\$ 1,306,894</u>

See notes to financial statements.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2009 AND 2008

	2009					2008				
	Program Expenses	Fund Raising	Special Events	General and Administrative	Total	Program Expenses	Fund Raising	Special Events	General and Administrative	Total
Salaries and related expenses	\$ 571,546	\$ 208,660	\$ -	\$ 127,010	\$ 907,216	\$ 517,286	\$ 232,779	\$ -	\$ 112,079	\$ 862,144
Program materials, etc.	128,028	-	-	-	128,028	124,037	-	-	-	124,037
Special events costs	-	-	287,306	-	287,306	-	-	354,924	-	354,924
Rent	47,149	17,213	-	10,478	74,840	45,665	20,549	-	9,894	76,108
License fee	11,162	-	22,325	11,162	44,649	16,572	-	22,728	8,050	47,350
Office expenses,										
supplies, postage	7,327	2,675	-	1,628	11,630	9,310	4,189	-	2,017	15,516
Travel, auto, meals	16,287	5,946	-	3,619	25,852	13,451	6,053	-	2,914	22,418
Professional fees	8,190	2,990	-	1,820	13,000	13,583	6,112	-	2,943	22,638
Telephone	11,954	4,357	-	2,652	18,943	8,386	3,774	-	1,817	13,977
Insurance	13,451	802	-	488	14,741	12,601	1,272	-	612	14,485
Training	6,095	2,225	-	1,355	9,675	10,531	4,739	-	2,282	17,552
Public relations	-	90,236	-	-	90,236	-	147,603	-	-	147,603
Equipment lease	6,111	2,231	-	1,358	9,700	4,700	2,115	-	1,018	7,833
Scholarships	59,500	-	-	-	59,500	55,000	-	-	-	55,000
Depreciation	5,424	1,980	-	1,205	8,609	4,614	2,076	-	1,000	7,690
Bad debt expense	13,880	-	-	38,638	52,518	-	-	-	4,100	4,100
Utilities	2,491	909	-	554	3,954	2,430	1,094	-	526	4,050
Other	19,396	7,357	-	5,054	31,807	9,110	4,694	-	1,974	15,778
Total	\$ 927,971	\$ 347,581	\$ 309,631	\$ 207,021	\$ 1,792,204	\$ 847,276	\$ 437,049	\$ 377,652	\$ 151,226	\$ 1,813,203

See notes to financial statements.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Decrease) increase in net assets	\$ (530,391)	\$ 4,769
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:		
Depreciation	8,609	7,690
Net unrealized depreciation of investments	80,404	17,162
Realized loss (gain) on sale of investments	52,176	(6,509)
Changes that provided (used) cash:		
Pledge receivables	162,293	(42,260)
Other receivables	44,925	10,245
Inventory	1,151	606
Prepaid expenses	21,871	(7,501)
Accounts payable and accrued expenses	22,837	(7,521)
Deferred revenue	21,475	(53,975)
Deferred rent	(7,642)	(2,309)
Total adjustments	<u>408,099</u>	<u>(84,372)</u>
Net cash used in operating activities	<u>(122,292)</u>	<u>(79,603)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	385,679	209,602
Purchase of investments	(388,917)	(220,937)
Purchase of equipment	(1,682)	(11,173)
Net cash used in investing activities	<u>(4,920)</u>	<u>(22,508)</u>
NET DECREASE IN CASH	(127,212)	(102,111)
CASH, BEGINNING OF YEAR	<u>331,599</u>	<u>433,710</u>
CASH, END OF YEAR	<u>\$ 204,387</u>	<u>\$ 331,599</u>

See notes to financial statements.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008

NOTE 1 – NATURE OF ACTIVITIES

Junior Achievement of Eastern Massachusetts, Inc. (the “Organization”) is a Massachusetts not-for-profit organization. The Organization is a regional chapter of JA Worldwide, an international organization. The mission of the Organization is to educate and inspire young people to value free enterprise, understand business and economics, and prepare themselves for the workforce. The Organization is based in Boston, Massachusetts and sponsors programs and events in eastern Massachusetts.

NOTE 2 – SUMMARY OF SIGNFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Basis of presentation

The Organization follows the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, “Financial Statements of Not-for-Profit Organizations”. Under SFAS No. 117, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenues

Revenues are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and nature of any donor restrictions.

Revenues without donor imposed restrictions are recorded as unrestricted. Revenues with donor imposed restrictions that are satisfied within the same year are also recorded as unrestricted.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues (Continued)

Revenues with donor imposed specific purpose or time restrictions that are not satisfied within the same year are recorded as temporarily restricted. When a restriction has been satisfied (payment has been made in accordance with the restriction or the time restriction has expired), the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Revenues with donor-imposed restrictions that do not expire by the accomplishment of purpose or by the passage of time are recorded as permanently restricted.

Permanently restricted net assets consist of program endowments and general endowments that are required to be invested in perpetuity. Interest and dividend income earned on program endowments is restricted to use for the specific programs endowed. Interest and dividend income earned on general endowments is unrestricted. Realized and unrealized gains and losses on endowments increase or decrease the respective endowments.

Contributed assets, materials and services

Contributions of donated noncash assets and materials are recorded at their estimated fair values in the period received.

Certain individuals have made significant contributions of their time to the Organization. The value of this contributed time is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

Property and equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense while costs of significant renewals and betterments are capitalized.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organization's investments in equity and debt securities are reported at fair value in the statements of financial position. Fair value is determined by end of year market quotations. Any realized and unrealized gain or loss on investments is reflected in the statements of activities.

Pledges receivable

Conditional promises to give cash or other assets are recognized as revenue and receivables when the conditions are substantially met. Unconditional promises to give are recognized as revenue and receivables in the period in which the promise is made. Unconditional promises to give that are expected to be collected within the next year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in subsequent years are discounted to the present value of their net realizable value. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year-end.

Inventory

Inventory consisting of program kits is stated at the lower-of-cost or market based on the first-in first-out method.

Deferred revenue

Cash received as payment in advance for participation in special events is recorded as deferred revenue, and is recognized as revenue when the event occurs.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax status

The Organization is a not-for-profit organization that is tax exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

In July 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109* (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement for a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, disclosure, and transition.

In December 2008, the FASB issued FSP FIN 48-3 which provided a deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual for periods beginning after December 15, 2008. The Organization has elected this deferral and accordingly, will adopt FIN 48 effective July 1, 2009. The Organization does not believe the adoption of FIN 48 will have a material impact on its financial statements.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events evaluation

The Organization evaluates events and transactions that occur after the date of the statement of financial position to determine if any such events or transactions should be recorded or disclosed in the financial statements. For the years ended June 30, 2009 and 2008 the Organization has made such evaluation through December 15, 2009, which is the date the financial statements were available to be issued.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008
(Continued)

NOTE 3 – INVESTMENTS

Investments as of June 30, 2009 and 2008 are summarized as follows:

	<u>Cost</u>	<u>Fair value</u>	<u>Unrealized appreciation (depreciation)</u>
<u>2009</u>			
U. S. Government securities	\$ 71,803	\$ 75,806	\$ 4,003
Municipal bond	20,060	18,287	(1,773)
Corporate bonds	51,616	51,896	280
Domestic equity securities	310,635	313,219	2,584
Foreign equity securities	<u>47,377</u>	<u>44,301</u>	<u>(3,076)</u>
Total	<u>\$ 501,491</u>	<u>\$ 503,509</u>	<u>\$ 2,018</u>
<u>2008</u>			
Mutual funds	\$ 6,375	\$ 13,710	\$ 7,335
U.S. Government securities	140,466	144,095	3,629
Corporate bond	26,236	25,531	(705)
Domestic equity securities	330,733	374,127	43,394
Foreign equity securities	<u>46,619</u>	<u>75,388</u>	<u>28,769</u>
Total	<u>\$ 550,429</u>	<u>\$ 632,851</u>	<u>\$ 82,422</u>

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008
(Continued)

NOTE 4 – FAIR VALUE MEASUREMENTS

Effective July 1, 2008, the Organization adopted SFAS No. 157, Fair Value Measurements (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements. The adoption of SFAS 157 did not have a material impact on the Organization’s financial statements.

Fair value is defined under SFAS 157 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 in an orderly transaction between market participants on the measurement date. SFAS 157 establishes a three-level hierarchy for fair value measurement based upon the transparency of inputs to the valuation of an asset or liability. SFAS 157 requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the fair value hierarchy under SFAS 157 are as follows:

Level I: Valuations based on price quotations in active markets/exchanges for identical securities.

Level II: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level III: Valuations based on inputs that are unobservable.

The following table sets forth by level, within the fair value hierarchy, the Organization’s investments at June 30, 2009:

Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government securities	\$ 75,806	\$ -	\$ 75,806	\$ -
Municipal Bond	18,287	-	18,287	-
Corporate bonds	51,896	-	51,896	-
Domestic equity securities	313,219	313,219	-	-
Foreign equity securities	44,301	44,301	-	-
Total	<u>\$ 503,509</u>	<u>\$ 357,520</u>	<u>\$ 145,989</u>	<u>\$ -</u>

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008
(Continued)

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable at June 30, 2009 and 2008 consist of unconditional promises to give as follows:

	<u>2009</u>	<u>2008</u>
Receivable in less than one year	\$ 182,141	\$ 318,191
Receivable in one to five years	<u>-</u>	<u>20,000</u>
Total	182,141	338,191
Less discounts to net present value	-	(3,757)
Less allowance for uncollectible pledges	<u>(13,000)</u>	<u>(3,000)</u>
Pledges receivable, net	<u>\$ 169,141</u>	<u>\$ 331,434</u>

Pledges receivable due in more than one year are reflected at the present value of their net realizable value using a discount rate of 6.63%.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2009 and 2008 consist of the following:

	<u>2009</u>	<u>2008</u>
Office equipment	\$ 76,669	\$ 74,987
Furniture and fixtures	<u>21,035</u>	<u>21,035</u>
Total	97,704	96,022
Less accumulated depreciation	<u>(73,324)</u>	<u>(64,715)</u>
Property and equipment, net	<u>\$ 24,380</u>	<u>\$ 31,307</u>

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008
(Continued)

NOTE 7 – LINE OF CREDIT

The Organization has a \$250,000 demand line of credit with a bank, with interest at the Wall Street Journal Prime Rate (as defined in the agreement) plus 1.25%. Borrowings are secured by pledged receivables, inventory and property and equipment. There were no outstanding borrowings under the line of credit as of June 30, 2009 and 2008. The line of credit arrangement expired November 16, 2009.

NOTE 8 – RELATED PARTY TRANSACTIONS

The Organization pays JA Worldwide an annual license fee calculated as a percentage of revenues generated. The franchise fee expense for the years ended June 30, 2009 and 2008 was \$44,649 and \$47,350, respectively.

The Organization also purchases program insurance and certain program materials from JA Worldwide. Such purchases for the years ended June 30, 2009 and 2008 amounted to \$134,313 and \$125,157, respectively.

The Organization received reimbursements from JA Worldwide for expenditures relating to its Job Shadow and Afterschool programs for the year ended June 30, 2008. Such reimbursements, totaling \$16,200, have been accounted for as a direct offset to the expenditures in the accompanying financial statements. The amount due from JA Worldwide for such reimbursements amounted to \$9,909 at June 30, 2008, and is included in other receivables on the statements of financial position.

During the year ended June 30, 2008, the Organization advanced funds to Junior Achievement of New Hampshire to pay certain expenses. At June 30, 2008, the funds advanced, net of repayments, total \$35,016 and is included in other receivables on the statements of financial position.

NOTE 9 – PENSION PLAN

The Organization participates in a pension plan sponsored by JA Worldwide. The Plan covers all employees with at least one year and 1,000 hours of service. The Organization makes an annual contribution to the plan equal to a percentage of eligible compensation. Total expense for the years ended June 30, 2009 and 2008 was \$78,313 and \$64,135, respectively, and is included in salaries and related expenses in the statements of functional expenses.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008
(Continued)

NOTE 10 – IN-KIND CONTRIBUTIONS

In-kind contributions of services and materials to support programs and special events have been recorded at fair value as both revenue and expense in the accompanying statements of activities. For the years ended June 30, 2009 and 2008, in-kind contributions amounted to \$181,982 and \$195,019, respectively.

NOTE 11 – LEASE COMMITMENTS

The Organization leases its office facility under an operating lease expiring September 2010. The following is a schedule of future minimum lease payments under this lease:

Year ending June 30:

2010	\$ 81,788
2011	<u>20,447</u>
Total	<u>\$ 102,235</u>

Rent expense for the years ended June 30, 2009 and 2008 amounted to \$74,840 and \$76,108, respectively.

The office facility lease provides for scheduled rent increases that are being recognized ratably over the lease term. Accordingly, rent expense recognized for financial statement purposes does not coincide with the cash payments, giving rise to deferred rent amounting to \$11,216 and \$18,858 at June 30, 2009 and 2008, respectively.

NOTE 12 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Organization incurs costs associated with the recruitment of volunteers and instructors for the programs offered by the Organization. Such expenses, principally payroll and related expenses, amounted to \$18,867 and \$21,091 for the years ended June 30, 2009 and 2008, respectively, and is included in fund raising expenses.

JUNIOR ACHIEVEMENT OF EASTERN MASSACHUSETTS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2009 and 2008
(Continued)

NOTE 13 – CONCENTRATION OF CREDIT RISK

The Organization's periodically maintains cash balances in a certain bank in excess of the federally insured limit. This bank is a large financial institution.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

NOTE 14 – LITIGATION

In the ordinary course of operations, certain claims, suits or complaints may be filed against the Organization. In the opinion of management, there are no such proceedings pending or threatened that would have a significant adverse effect on the financial position or results of operations of the Organization.