

**DISTRIBUTIVE EDUCATION CLUBS OF AMERICA, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

# **Distributive Education Clubs of America, Inc.**

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## Independent Auditors' Report

To the Board of Directors of  
**Distributive Education Clubs of America, Inc.**

### *Opinion*

We have audited the accompanying financial statements of **Distributive Education Clubs of America, Inc.** (a nonprofit organization), which comprise the Statements of Financial Position as of June 30, 2025 and 2024, and the related Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Distributive Education Clubs of America, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Distributive Education Clubs of America, 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.

### *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 **Distributive Education Clubs of America, Inc.**'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Independent Auditors' Report (Continued)

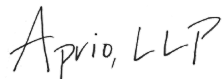
### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Distributive Education Clubs of America, 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 **Distributive Education Clubs of America, 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.



Aprio, LLP

Rockville, Maryland  
December 4, 2025

# Distributive Education Clubs of America, Inc.

## Statements of Financial Position

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 5,815,276	\$ 5,425,318
Investments	7,219,032	6,608,191
Accounts receivable, net	1,118,016	925,123
Prepaid expenses	265,364	238,443
Inventory	426,514	432,250
Right-of-use asset - finance lease	-	12,370
Property and equipment, net	552,192	574,715
<b>Total assets</b>	<b>\$ 15,396,394</b>	<b>\$ 14,216,410</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 451,723	\$ 231,106
Accrued expenses	619,823	542,338
Sales tax payable	137,028	136,068
Lease liability - finance lease	-	13,150
Deferred revenue	176,840	178,031
<b>Total liabilities</b>	<b>1,385,414</b>	<b>1,100,693</b>
<b>Net assets</b>		
Without donor restrictions:		
Undesignated	12,444,355	11,590,232
Board designated	630,282	636,469
With donor restrictions	936,343	889,016
<b>Total net assets</b>	<b>14,010,980</b>	<b>13,115,717</b>
<b>Total liabilities and net assets</b>	<b>\$ 15,396,394</b>	<b>\$ 14,216,410</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Distributive Education Clubs of America, Inc.

## Statement of Activities and Changes in Net Assets

<i>Year Ended June 30, 2025</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and support</b>			
Educational services	\$ 5,232,082	\$ -	\$ 5,232,082
Shop DECA sales	2,108,740	-	2,108,740
Membership dues	2,374,077	-	2,374,077
Publications	274,569	-	274,569
Contributions	116,288	-	116,288
Other income	745	-	745
Loss on disposal of property and equipment	(34,446)	-	(34,446)
Rental income	21,000	-	21,000
Net investment income	610,869	-	610,869
Contributions - other projects	-	1,045,815	1,045,815
Contributions - educational services	-	347,750	347,750
Net assets released from restrictions	1,346,238	(1,346,238)	-
<b>Total revenue and support</b>	<b>12,050,162</b>	<b>47,327</b>	<b>12,097,489</b>
<b>Expenses</b>			
Program services:			
Educational services	9,441,646	-	9,441,646
Supporting activities:			
Management and general	1,288,664	-	1,288,664
Fundraising	471,916	-	471,916
Total supporting services	1,760,580	-	1,760,580
<b>Total expenses</b>	<b>11,202,226</b>	<b>-</b>	<b>11,202,226</b>
<b>Change in net assets</b>	<b>847,936</b>	<b>47,327</b>	<b>895,263</b>
<b>Net assets, beginning of year</b>	<b>12,226,701</b>	<b>889,016</b>	<b>13,115,717</b>
<b>Net assets, end of year</b>	<b>\$ 13,074,637</b>	<b>\$ 936,343</b>	<b>\$ 14,010,980</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Distributive Education Clubs of America, Inc.

## Statement of Activities and Changes in Net Assets

<i>Year Ended June 30, 2024</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and support</b>			
Educational services	\$ 4,600,637	\$ -	\$ 4,600,637
Shop DECA sales	1,912,006	-	1,912,006
Membership dues	2,079,390	-	2,079,390
Publications	278,188	-	278,188
Contributions	102,856	-	102,856
Other income	3,795	-	3,795
Rental income	24,000	-	24,000
Net investment income	753,157	-	753,157
Contributions - other projects	-	943,580	943,580
Contributions - educational services	-	147,625	147,625
Net assets released from restrictions	1,100,779	(1,100,779)	-
<b>Total revenue and support</b>	<b>10,854,808</b>	<b>(9,574)</b>	<b>10,845,234</b>
<b>Expenses</b>			
Program services:			
Educational services	7,242,213	-	7,242,213
Supporting activities:			
Management and general	1,210,042	-	1,210,042
Fundraising	893,392	-	893,392
Total supporting services	2,103,434	-	2,103,434
<b>Total expenses</b>	<b>9,345,647</b>	<b>-</b>	<b>9,345,647</b>
<b>Change in net assets</b>	<b>1,509,161</b>	<b>(9,574)</b>	<b>1,499,587</b>
<b>Net assets, beginning of year</b>	<b>10,717,540</b>	<b>898,590</b>	<b>11,616,130</b>
<b>Net assets, end of year</b>	<b>\$ 12,226,701</b>	<b>\$ 889,016</b>	<b>\$ 13,115,717</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

## Distributive Education Clubs of America, Inc.

### Statement of Functional Expenses

<i>Year Ended June 30, 2025</i>	Educational Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 1,714,389	\$ 736,936	\$ 260,283	\$ 2,711,608
Professional services	53,015	371,223	2,362	426,600
Printing, publications and promotions	341,754	5,954	2,379	350,087
Postage, mailing and shipping	279,270	2,542	1,016	282,828
Occupancy, maintenance and insurance	163,769	68,019	27,183	258,971
Conference, meetings and travel	6,301,659	13,703	137,349	6,452,711
Supplies, telecom and internet	226,124	40,375	16,135	282,634
Bad debt expense	-	(24,039)	-	(24,039)
Damaged/Obsolete merchandise	1,354	-	-	1,354
Other expenses	360,312	73,951	25,209	459,472
<b>Total expenses</b>	<b>\$ 9,441,646</b>	<b>\$ 1,288,664</b>	<b>\$ 471,916</b>	<b>\$ 11,202,226</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.



## Distributive Education Clubs of America, Inc.

### Statement of Functional Expenses

<i>Year Ended June 30, 2024</i>	Educational Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 1,357,756	\$ 598,799	\$ 348,176	\$ 2,304,731
Professional services	45,160	415,039	3,112	463,311
Printing, publications and promotions	197,270	6,795	4,126	208,191
Postage, mailing and shipping	263,100	3,077	1,898	268,075
Occupancy, maintenance and insurance	153,767	68,956	41,864	264,587
Conference, meetings and travel	4,803,278	8,247	440,110	5,251,635
Supplies, telecom and internet	186,685	30,380	24,514	241,579
Bad debt expense	-	22,708	-	22,708
Damaged/Obsolete merchandise	1,066	-	-	1,066
Other expenses	234,131	56,041	29,592	319,764
Total expenses	\$ 7,242,213	\$ 1,210,042	\$ 893,392	\$ 9,345,647

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Distributive Education Clubs of America, Inc.

## Statements of Cash Flows

<i>Years Ended June 30,</i>	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 895,263	\$ 1,499,587
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities</b>		
Depreciation	116,827	95,193
Net unrealized and realized gains on investments	(610,841)	(753,157)
Loss on disposal of property and equipment	34,446	-
Right-of-use asset - finance lease	12,370	20,749
<b>(Increase) decrease in:</b>		
Accounts receivable, net	(192,893)	31,588
Prepaid expenses	(26,921)	41,356
Inventory	5,736	151,079
<b>Increase (decrease) in:</b>		
Accounts payable	220,617	(21,672)
Accrued expenses	77,485	64,335
Sales tax payable	960	32,882
Deferred revenue	(1,191)	51,673
<b>Net cash provided by operating activities</b>	<b>531,858</b>	<b>1,213,613</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(128,750)	(55,398)
Purchases of investments	4,377,834	(2,738,308)
Proceeds from the sale of investments	(4,377,834)	2,738,345
<b>Net cash used by investing activities</b>	<b>(128,750)</b>	<b>(55,361)</b>
<b>Cash flows from financing activities</b>		
Payments for principal portion of lease liability-finance lease	(13,150)	(20,359)
<b>Net change in cash and cash equivalents</b>	<b>389,958</b>	<b>1,137,893</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,425,318</b>	<b>4,287,425</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,815,276</b>	<b>\$ 5,425,318</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for taxes	\$ 203,639	\$ 160,684

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

### 1. Organization and significant accounting policies

**Organization:** Distributive Education Clubs of America, Inc. (“DECA Inc.” or the “Organization”) is a nonprofit student organization incorporated in the Commonwealth of Virginia. DECA Inc. prepares emerging leaders and entrepreneurs currently in high school and college for future careers in marketing, finance, hospitality, and management.

DECA Inc. accomplishes its mission by providing the following educational services program activities:

DECA Inc. provides educational programs to high school and college students around the globe through its various conferences, competitive events, publications, and resource materials. DECA Inc. is organized into two unique student divisions, the High School Division and Collegiate DECA Inc., each with programs designed to address the learning styles, interests, and focus of its members. DECA Inc.’s student members leverage their DECA Inc. experience to become academically prepared, community oriented, professionally responsible, and experienced leaders.

DECA Inc. enhances the preparation for college and careers by providing co-curricular educational programs that integrate into classroom instructions, applying learning in the context of business, connecting to businesses and the community, and promoting competition. DECA Inc. sponsors conferences and competitive events each year to bring the high school and Collegiate DECA Inc. members into the larger DECA Inc. community while providing unique opportunities to extend classroom learning. DECA Inc. also awards scholarships to students in various fields.

Performance improvement tools and resources for chapter advisors ensure effective use of DECA Inc.’s comprehensive learning program designed to enhance student achievement. DECA Inc.’s professional network also allows DECA Inc. advisors to share resources and ideas among colleagues and enhance their skills through advisor professional development.

DECA Inc.’s business partners provide strategic advice on organizational policy, professional insight on content, and crucial financial support for programming. Some of DECA Inc.’s business partners participate on its National Advisory Board. These partners enhance the classroom experience by providing “real world” applications to learning.

**Basis of presentation:** The accompanying financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization reports information regarding its financial position and activities according to the following net asset classifications:

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

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**Net assets without donor restrictions - undesignated:** Net assets without donor restrictions include those net assets whose use is not restricted by donors or not designated by the Board of Directors.

**Net assets without donor restrictions - designated:** The Board of Directors has designated a portion of net assets without donor restrictions to be set aside for contingencies and to establish financial reserves. Board designated net assets also include scholarship matches by the Board and special projects the Board decides to pursue, including administration development projects. These funds may not be expended for general operations without the specific authorization of the Board of Directors.

**Net assets with donor restrictions – time or purpose:** Net assets with donor restrictions include those net assets subject to donor-imposed restrictions that are met either by actions of DECA Inc. and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets.

**Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”) requires management to make estimated and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Tax status:** DECA Inc. is exempt from the payment of income taxes on its exempt activities under section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation by the Internal Revenue Service. DECA Inc. is subject to tax on revenue generated from sources unrelated to its exempt purpose. DECA Inc. generated unrelated business income of \$310,590 and \$335,642 for the years ended June 30, 2025 and 2024, respectively. DECA Inc. incurred \$85,049 and \$91,909 in unrelated business income taxes for the years ended June 30, 2025 and 2024, respectively.

DECA Inc. evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of June 30, 2025 and 2024, there were no accruals for uncertain tax positions. If applicable, the Organization records interest and penalties as a component of income tax expense. Tax years from June 30, 2022 through the current year remain open for examination by federal and state tax authorities.

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

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**Cash and cash equivalents:** For financial statement purposes, DECA, Inc. considers cash held in overnight investment accounts and money market accounts to be cash equivalents. Funds that are held in the professionally managed accounts are reported with investments.

DECA Inc. maintains its cash balances at one commercial bank, these balances can exceed the FDIC insured deposit limit of \$250,000 per financial institution. At June 30, 2025 and 2024, DECA Inc.'s cash balances held at the commercial bank exceeded the FDIC limit by approximately \$5,565,000 and \$5,176,000, respectively. DECA Inc. has not experienced any losses through the date when the financial statements were available to be issued.

**Investments:** DECA Inc. records its investments at fair value. The adjustment to reflect changes in the fair value of investments is included in the statements of activities as a component of net investment income. Interest is recorded when earned. Dividends are recorded at the ex-dividend date. Net appreciation or depreciation in fair value of investments includes gains and losses on investments bought and sold, as well as held during the year.

**Accounts receivable:** Accounts receivable consists of amounts due to DECA Inc. for membership dues, hotel rebates, commissions from DECA Inc. conferences, and Shop DECA transactions that are partially paid or unpaid and is reduced by an allowance for credit losses, if needed. The allowance for credit losses estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including current market factors and forecasted economic conditions. At June 30, 2025 and 2024, the allowance for credit losses was \$31,316 and \$121,316, respectively.

**Inventory:** Inventory, which consists of educational and promotional materials, is stated at the lower of cost or net realizable value using the first-in, first-out method. Management established a reserve for any inventory deemed to be not salable or obsolete by identifying nonmarketable items and by using historical experience applied to recent sales. An inventory loss provision totaling \$1,354 and \$1,066 was recorded for the years ending June 30, 2025 and 2024, respectively.

**Property and equipment:** Property and equipment are recorded at cost. DECA Inc. capitalizes all expenditures for property and equipment over \$2,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 50 years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation is removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are expensed when incurred.

**Leases:** Finance lease right-of-use assets (“ROU”) resulting from finance leases are included in right-of-use assets- finance lease and the related liabilities are included in the lease liability - finance lease in the Statements of Financial Position. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted. If the lease does not provide an implicit rate, the Organization elects to use the risk-free rate. Lease and non-lease components of office equipment lease agreements are accounted for as a single component as both a lessee and a lessor. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization determines if an arrangement is a lease at inception. All leases are recorded on the Statements of Financial Position except for leases with an initial term less than 12 months for which the Organization made the short-term lease election. The Organization had no short-term leases as of June 30, 2025 and 2024.

**Impairment of long-lived assets:** The Organization reviews long-lived assets for impairment whenever events or circumstances warrant such a review. A long-lived asset is considered impaired if the sum of the asset’s future anticipated undiscounted cash flows are less than its carrying value. In that event, a loss is recognized to the extent the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated future cash flows discounted at a rate commensurate with the risk involved. For the years ended June 30, 2025 and 2024, management does not believe any long-lived assets are impaired.

**Revenue recognition (exchange transactions):** DECA Inc. applies Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (“ASC 606”) to certain revenue. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is outlined below:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

**Educational services:** DECA Inc. hosts a variety of leadership, career development, and competitive events catered towards high school and college students. Event attendees must pay an attendance fee in advance of the event. Revenue is recognized at the point in time when the event takes place. DECA, Inc. also offers sponsorship opportunities at such events to various private organizations. In exchange for an agreed upon fee, sponsors receive advertising space for their organization at the sponsored event. Fees must be paid in advance. Revenue associated with sponsorships is recognized when the event takes place.

**Shop DECA sales:** DECA Inc. has an online shop where it sells professional apparel, publications, and other miscellaneous merchandise. Payment is typically required at the point of sale, however, certain customers are able to pay in arrears. Revenue is recognized at the point in time when purchased goods are delivered to the customer.

**Membership dues:** DECA Inc. offers memberships to various collegiate and high school organizations. Membership dues are payable in advance of the membership period. Revenue is recognized ratably over the membership term as members simultaneously receive and consume the benefits of membership.

**Publications:** DECA Inc. produces online magazines, weekly emails, and an annual resource guide that includes advertisements for customers. In exchange for an agreed upon fee, the customers can have advertisements for their business included in the publications. Fees must be paid in advance and are non-refundable. Revenue is recognized at the point in time the publication is published.

**Contract balances:** Accounts receivable include billed amounts related to services provided to customers. Contract liabilities include amounts paid by customers for which services have not yet been provided and are included in deferred revenue. These balances are the result of timing differences between when revenue is recognized and when the related payments are received. Balances relating to contracts with customers were as follows:

	June 30, 2025	June 30, 2024	July 1, 2023
Accounts receivable, net	\$ 1,118,016	\$ 925,123	\$ 956,711
Deferred revenue	176,840	178,031	126,358

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

**Contract costs:** Costs to fulfill Shop DECA sales include fulfillment costs and allocated overhead. Costs to fulfill Educational services include venue costs, information technology, direct salaries and fringe benefits, supplies, allocated overhead, and other miscellaneous costs. Costs to fulfill publications contracts include printing costs, direct salaries and fringe benefits, allocated overhead, and other miscellaneous costs.

**Contributions:** DECA Inc. assesses all revenue agreements and sources for classification as an exchange transaction or contribution. Revenue is classified as a contribution if the funder does not receive direct commensurate value from DECA Inc.

Contributions are recognized as revenue when they are unconditionally funded. Contributions are reported as with donor restrictions if they are subject to time or donor-imposed restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. During the year ended June 30, 2025, 85% of total contributions came from three donors. During the year ended June 30, 2024, 90% of total contributions came from two donors.

**Functional allocation of expenses:** The costs of providing various programs and related supporting activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain costs have been allocated among the programs and supporting activities benefited. Such allocations are determined by management on an equitable basis.

Expenses that are allocated include the following:

Expenses	Method of Allocation
Salaries and benefits	Time and effort
Professional services	Time and effort
Printing, publications and promotions	Time and effort
Postage, mailing and shipping	Time and effort
Occupancy, maintenance and insurance	Time and effort
Conference, meetings and travel	Time and effort
Supplies, telecom and internet	Time and effort
Other expenses	Time and effort



# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

**Risks and uncertainties:** The Organization invests in a professionally managed portfolio that contains various securities which are exposed to various risks, such as interest rate and market volatility risk. Due to the level of risk associated with such investments, 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 Organization's investment balances reported in the Statements of Financial Position.

**Subsequent events:** Management has evaluated subsequent events for disclosure in these financial statements through December 4, 2025, which is the date the financial statements were available to be issued.

### 2. Liquidity and availability of resources

The following represents the Organization's financial assets at June 30:

	2025	2024
Cash and cash equivalents	\$ 5,815,276	\$ 5,425,318
Investments	7,219,032	6,608,191
Accounts receivable, net	1,118,016	925,123
<b>Total financial assets</b>	<b>14,152,324</b>	<b>12,958,632</b>
Less amounts not available for general expenditure:		
Agency funds payable	(54,855)	(58,056)
Investments	(7,219,032)	(6,608,191)
Add back investments available for spending within one year	233,922	252,722
Net assets without donor restrictions – board designated	(630,282)	(636,469)
Net assets with donor restrictions	(936,343)	(889,016)
<b>Amounts not available for general expenditure</b>	<b>(8,606,590)</b>	<b>(7,939,010)</b>
<b>Financial assets available to meet general expenditures within one year</b>	<b>\$ 5,545,734</b>	<b>\$ 5,019,622</b>

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

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DECA Inc. has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. DECA Inc.'s working capital and cash flows come from the collection of membership dues, event sponsorships, and registrations that recur on an annual basis at various times through the year. Management is focused on sustaining the financial liquidity of DECA Inc. throughout the year. This is done through monitoring and reviewing DECA Inc.'s cash flow needs. As a result, management is aware of the cyclical nature of the DECA Inc.'s cash flow related to DECA Inc.'s various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs.

### 3. Investments and fair value

**Fair value:** The Organization values its investments in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There were no changes in the fair value measurement methodology for the years ended June 30, 2025 and 2024.

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

The fair value of assets measured at fair value on a recurring basis was as follows as of:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
June 30, 2025				
Equities	\$ 3,315,420	\$ -	\$ -	\$ 3,315,420
Mutual funds	1,473,855	-	-	1,473,855
Exchange traded funds				
– fixed income	1,245,675	-	-	1,245,675
Fixed income securities	-	894,733	-	894,733
REITs	-	35,196	-	35,196
Investments carried at fair value	6,034,950	929,929	-	6,964,879
Cash deposits in brokerage accounts	254,153			254,153
<b>Total investments</b>	<b>\$ 6,289,103</b>	<b>\$ 929,929</b>	<b>\$ -</b>	<b>\$ 7,219,032</b>

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
June 30, 2024				
Equities	\$ 2,961,389	\$ -	\$ -	\$ 2,961,389
Mutual Funds	1,371,880	-	-	1,371,880
Exchange traded funds				
– fixed income	1,168,150	-	-	1,168,150
Fixed income securities	-	776,251	-	776,251
REITs	-	41,656	-	41,656
Investments carried at fair value	5,501,419	817,907	-	6,319,326
Cash deposits in brokerage accounts	288,865			288,865
<b>Total investments</b>	<b>\$ 5,790,284</b>	<b>\$ 817,907</b>	<b>\$ -</b>	<b>\$ 6,608,191</b>

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

### 4. Property and equipment

Property and equipment consisted of the following as of June 30:

	2025	2024
Building and improvements	\$ 1,493,742	\$ 1,865,892
Computer equipment and software	202,051	264,101
Furniture and equipment	138,076	235,895
Land	56,532	56,532
Total	1,890,401	2,422,420
Less: Accumulated depreciation	(1,338,209)	(1,847,705)
<b>Property and equipment, net</b>	<b>\$ 552,192</b>	<b>\$ 574,715</b>

Depreciation expense for the years ended June 30, 2025 and 2024 totaled \$116,827 and \$95,193, respectively and is included in occupancy, maintenance, and insurance expenses on the Statements of Functional Expenses.

### 5. Agency transactions

DECA Inc. holds funds received on behalf of state, local, and regional chapters. These funds are distributed at the direction of the respective chapters. Because DECA Inc. does not control the use of these funds, they are not reflected in revenue or expense on the accompanying Statements of Activities. Agency funds payable are included in accounts payable on the Statements of Financial Position, and consist of the following at June 30, 2025 and 2024:

	2025	2024
State dues	\$ 12,471	\$ 16,717
Northern region	16,055	25,080
Southern region	26,329	16,259
<b>Total</b>	<b>\$ 54,855</b>	<b>\$ 58,056</b>

### 6. Retirement Plan

DECA Inc. maintains a discretionary defined contribution retirement plan ("the Plan") which covers all employees who have worked at least 1,000 hours, a minimum age requirement of 21, and have completed one year of service. Employees will be 25% vested in employer matching contributions after two years of service, with additional vesting of 25% each year thereafter (fully vested after five years of service). Employer contributions to the Plan totaled \$103,640 and \$91,347 for the years ended June 30, 2025 and 2024, respectively.

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

7. **Net assets with donor restrictions** Activity and balances associated with net assets with donor restrictions consisted of the following as of and for the years ended June 30:

	2024	Additions	Releases	2025
Scholarship Reserves	\$ 110,217	\$ -	\$ (28,000)	\$ 82,217
Building Fund	10,000	-	-	10,000
Brenda Clark				
Scholarship	1,500	5,000	(1,500)	5,000
Western Region				
VP Scholarship	1,500	-	-	1,500
Central Region				
Scholarship VP	1,000	-	(500)	500
Southern Region				
Scholarship VP	3,500	-	(500)	3,000
Western Region				
Scholarship	4,000	-	(1,000)	3,000
Executive Officer				
Scholarship	237	-	(237)	-
Bob Foehlinger				
Scholarship	2,000	-	(500)	1,500
Pat Di Placido				
Scholarship	3,000	-	(500)	2,500
Ed Fleming				
Scholarship	3,500	-	(500)	3,000
Dr. Levenhagen				
Scholarship	4,000	-	(500)	3,500
Sonya Dismuke				
Scholarship	3,500	-	(500)	3,000
Timothy Durnford				
Scholarship	-	3,000	(1,000)	2,000
Larry Lorenzi				
Scholarship	-	5,000	-	5,000
Tim Coffey				
Scholarship	-	880	-	880
Jerry DiGiovanni				
Scholarship	-	5,000	-	5,000
Bill Hembree				
Scholarship	-	2,500	(2,000)	500
<b>Subtotal</b>	147,954	21,380	(\$37,237)	132,097
Business partner				
accounts	741,062	1,372,185	(1,309,001)	804,246
<b>Total</b>	<b>\$ 889,016</b>	<b>\$ 1,393,565</b>	<b>\$(1,346,238)</b>	<b>\$ 936,343</b>

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

	2023	Additions	Releases	2024
Scholarship Reserves	\$ 135,217	\$ -	\$ (25,000)	\$ 110,217
Building Fund	10,000	-	-	10,000
Brenda Clark Scholarship	2,500	-	(1,000)	1,500
Western Region VP Scholarship	3,000	-	(1,500)	1,500
Central Region Scholarship VP	1,500	-	(500)	1,000
Southern Region Scholarship	3,500	-	-	3,500
Western Region Scholarship	-	5,000	(1,000)	4,000
Executive Officer Scholarship	237	-	-	237
Bob Foehlinger Scholarship	1,500	500	-	2,000
Pat Di Placido Scholarship	3,500	-	(500)	3,000
Ed Fleming Scholarship	4,500	-	(1,000)	3,500
Dr. Levenhagen Scholarship	4,500	-	(500)	4,000
Sonya Dismuke Scholarship	3,500	-	-	3,500
Timothy James Durnford Scholarship	5,000	-	(5,000)	-
Subtotal	178,454	5,500	(36,000)	147,954
Business partner accounts	720,136	1,085,705	(1,064,779)	741,062
Total	\$ 898,590	\$ 1,091,205	(1,100,779)	\$ 889,016

# Distributive Education Clubs of America, Inc.

## Notes to Financial Statements

### 8. Board designated net assets

Board designated net assets consist of the following at June 30, 2025 and 2024:

	2025	2024
Legal Fund	\$ 199,994	\$ 199,994
Building Fund	281,497	281,497
Strategy Fund	83,519	98,102
Bob Foehlinger Scholarship	1,500	2,000
Pat Di Placido Scholarship	2,500	3,000
Western Region Scholarship	3,000	4,000
Western Region VP Scholarship	1,500	1,500
Brenda Clark Scholarship	5,000	1,500
Central Region VP Scholarship	500	1,000
Southern Region VP Scholarship	3,000	3,500
Larry Lorenzi Scholarship	5,000	604
Ed Fleming Scholarship	3,000	3,500
Jerry DiGiovanni Scholarship	5,000	-
Sonya Dismuke Scholarship	3,000	3,500
Discretionary Fund	6,000	6,000
Website Redesign	22,772	22,772
Dr. Lynore Levenhagen Scholarship	3,500	4,000
<b>Total</b>	<b>\$ 630,282</b>	<b>\$ 636,469</b>

### 9. Leasing activities

The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU asset and lease liability from the finance lease was calculated based on the present value of future lease payments over the lease term. As of June 30, 2025, the Organization has no ROU asset or lease liability. As of June 30, 2024, the weighted average discount rate applied to calculate lease liabilities was 2.85% and the weighted average remaining lease term was seven months. The lease included an option to terminate the agreement with 30 days' written notice.

Total finance lease cost was \$12,506 and \$21,438 for the years ended June 30, 2025 and 2024, respectively. Total cash flows from finance leases were \$13,286 and \$21,048 for each of the years ended June 30, 2025 and 2024, respectively.