

Junior Achievement USA

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2019 and 2018

Junior Achievement USA

June 30, 2019 and 2018

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Independent Auditor's Report

Board of Directors
Junior Achievement USA
Colorado Springs, Colorado

We have audited the accompanying consolidated financial statements of Junior Achievement USA (the Organization), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses (2019 only) and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Junior Achievement USA

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement USA as of June 30, 2019 and 2018, 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.

Emphasis of Matter

As described in Note 2 to the consolidated financial statements, in 2019, the Organization adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BKD, LLP

Colorado Springs, Colorado
December 6, 2019

Junior Achievement USA
Consolidated Statements of Financial Position
June 30, 2019 and 2018

Assets

	<u>2019</u>	<u>2018</u>
Current Assets		
Cash and cash equivalents	\$ 12,745,387	\$ 6,296,268
Restricted cash	9,026,822	-
Investments	11,953,627	11,520,352
Contributions receivable, net	1,488,514	1,697,096
Affiliates accounts receivable, net of allowance; 2019 - \$90,000 and 2018 - \$92,000	705,441	923,501
Inventory	3,282,471	2,580,310
Prepaid expenses	392,018	655,801
Accounts receivable - other	<u>14,352</u>	<u>7,864</u>
Total current assets	39,608,632	23,681,192
Contributions Receivable, Net	1,046,271	158,416
Affiliates Accounts Receivable, Net of Current Portion and Allowance; 2019 - \$0 and 2018 - \$0	90,451	-
Fixed Assets, Net	<u>1,384,906</u>	<u>1,427,326</u>
Total assets	<u><u>\$ 42,130,260</u></u>	<u><u>\$ 25,266,934</u></u>

Junior Achievement USA
Consolidated Statements of Financial Position (continued)
June 30, 2019 and 2018

Liabilities and Net Assets

	<u>2019</u>	<u>2018</u>
Current Liabilities		
Accounts payable - trade	\$ 3,253,894	\$ 3,093,089
Accounts payable - affiliate	81,373	-
Accrued liabilities	589,064	290,258
Deferred revenue	661,887	152,626
Current maturities of revolving credit agreement	2,998,000	-
Current maturities of capital lease obligations	21,435	20,140
Funds held for affiliates	950,257	998,545
	<hr/>	<hr/>
Total current liabilities	8,555,910	4,554,658
Revolving Credit Agreement, Net of Current Maturities	6,028,822	-
Capital Lease Obligations, Net of Current Maturities	<hr/>	<hr/>
	34,923	53,144
	<hr/>	<hr/>
Total liabilities	14,619,655	4,607,802
Net Assets		
Without donor restrictions		
Undesignated	15,911,756	14,065,816
Board-designated	1,541,749	1,488,463
	<hr/>	<hr/>
	17,453,505	15,554,279
With donor restrictions - purpose restrictions	10,057,100	5,104,853
	<hr/>	<hr/>
Total net assets	27,510,605	20,659,132
	<hr/>	<hr/>
Total liabilities and net assets	\$ 42,130,260	\$ 25,266,934
	<hr/>	<hr/>

Junior Achievement USA
Consolidated Statement of Activities
Year Ended June 30, 2019

	Undesignated	Board- Designated	Total Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue					
Contributions	\$ 3,485,825	\$ 9,000	\$ 3,494,825	\$ 11,355,491	\$ 14,850,316
Grants	242,233	-	242,233	-	242,233
In-kind contributions	268,982	-	268,982	621,032	890,014
Materials sales	13,370,823	-	13,370,823	-	13,370,823
Area license fees	4,915,286	-	4,915,286	-	4,915,286
Investment return, net	562,903	53,535	616,438	8,224	624,662
Other income	378,073	-	378,073	-	378,073
Net assets released from restrictions - purpose restrictions for educational and other programs	7,032,500	-	7,032,500	(7,032,500)	-
Total support and revenue	<u>30,256,625</u>	<u>62,535</u>	<u>30,319,160</u>	<u>4,952,247</u>	<u>35,271,407</u>
Expenses					
Program services					
Field services	14,007,358	1,591	14,008,949	-	14,008,949
Communications and marketing	1,171,907	-	1,171,907	-	1,171,907
Research and development	6,072,306	-	6,072,306	-	6,072,306
Human resources	882,415	-	882,415	-	882,415
Total program services	<u>22,133,986</u>	<u>1,591</u>	<u>22,135,577</u>	<u>-</u>	<u>22,135,577</u>
Support services					
Management and general	4,028,205	7,658	4,035,863	-	4,035,863
Fundraising	2,248,494	-	2,248,494	-	2,248,494
Total support services	<u>6,276,699</u>	<u>7,658</u>	<u>6,284,357</u>	<u>-</u>	<u>6,284,357</u>
Total expenses	<u>28,410,685</u>	<u>9,249</u>	<u>28,419,934</u>	<u>-</u>	<u>28,419,934</u>
Change in Net Assets	1,845,940	53,286	1,899,226	4,952,247	6,851,473
Net Assets, Beginning of Year	<u>14,065,816</u>	<u>1,488,463</u>	<u>15,554,279</u>	<u>5,104,853</u>	<u>20,659,132</u>
Net Assets, End of Year	<u>\$ 15,911,756</u>	<u>\$ 1,541,749</u>	<u>\$ 17,453,505</u>	<u>\$ 10,057,100</u>	<u>\$ 27,510,605</u>

Junior Achievement USA
Consolidated Statement of Activities
Year Ended June 30, 2018

	Undesignated	Board- Designated	Total Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue					
Contributions	\$ 1,855,001	\$ 9,000	\$ 1,864,001	\$ 3,961,726	\$ 5,825,727
Grants	124,104	-	124,104	-	124,104
In-kind contributions	103,551	-	103,551	562,824	666,375
Materials sales	13,650,671	-	13,650,671	-	13,650,671
Area license fees	4,956,046	-	4,956,046	-	4,956,046
Investment return, net	528,625	79,422	608,047	15,066	623,113
Other income	625,799	-	625,799	-	625,799
Net assets released from restrictions - purpose restrictions for educational and other programs	5,108,285	-	5,108,285	(5,108,285)	-
Total support and revenue	<u>26,952,082</u>	<u>88,422</u>	<u>27,040,504</u>	<u>(568,669)</u>	<u>26,471,835</u>
Expenses					
Program services					
Field services	7,804,793	1,288	7,806,081	-	7,806,081
Communications and marketing	1,242,538	-	1,242,538	-	1,242,538
Research and development	10,597,531	-	10,597,531	-	10,597,531
Human resources	676,165	-	676,165	-	676,165
Total program services	<u>20,321,027</u>	<u>1,288</u>	<u>20,322,315</u>	<u>-</u>	<u>20,322,315</u>
Support services					
Management and general	4,562,117	7,950	4,570,067	-	4,570,067
Fundraising	1,591,171	-	1,591,171	-	1,591,171
Total support services	<u>6,153,288</u>	<u>7,950</u>	<u>6,161,238</u>	<u>-</u>	<u>6,161,238</u>
Total expenses	<u>26,474,315</u>	<u>9,238</u>	<u>26,483,553</u>	<u>-</u>	<u>26,483,553</u>
Change in Net Assets	477,767	79,184	556,951	(568,669)	(11,718)
Net Assets, Beginning of Year	<u>13,588,049</u>	<u>1,409,279</u>	<u>14,997,328</u>	<u>5,673,522</u>	<u>20,670,850</u>
Net Assets, End of Year	<u>\$ 14,065,816</u>	<u>\$ 1,488,463</u>	<u>\$ 15,554,279</u>	<u>\$ 5,104,853</u>	<u>\$ 20,659,132</u>

Junior Achievement USA
Consolidated Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services					Support Services			Total Expenses
	Field Services	Communications & Marketing	Research & Development	Human Resources	Total Program Services	Management and General	Fundraising	Total Support Services	
June 30, 2019									
Compensation	\$ 5,955,729	\$ 676,142	\$ 2,190,145	\$ 464,816	\$ 9,286,832	\$ 1,700,831	\$ 1,424,585	\$ 3,125,416	\$ 12,412,248
Occupancy	391,434	23,477	184,881	19,809	619,601	74,314	35,480	109,794	729,395
Product development	3,882,433	237,338	1,869,040	200,254	6,189,065	791,382	387,904	1,179,286	7,368,351
Program support	2,445,191	152,071	1,197,561	128,310	3,923,133	529,835	265,129	794,964	4,718,097
Office services	1,296,218	78,977	621,941	66,637	2,063,773	929,900	127,398	1,057,298	3,121,071
Depreciation and amortization	37,944	3,902	8,738	2,589	53,173	9,601	7,998	17,599	70,772
Total expenses	<u>\$ 14,008,949</u>	<u>\$ 1,171,907</u>	<u>\$ 6,072,306</u>	<u>\$ 882,415</u>	<u>\$ 22,135,577</u>	<u>\$ 4,035,863</u>	<u>\$ 2,248,494</u>	<u>\$ 6,284,357</u>	<u>\$ 28,419,934</u>

Junior Achievement USA
Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Activities		
Change in net assets	\$ 6,851,473	\$ (11,718)
Items not requiring (providing) operating activities cash flows		
Depreciation and amortization	70,772	203,988
Charge-offs of obsolete inventory	77,591	52,164
Net realized and unrealized gain on investments	(261,369)	(255,179)
Changes in assets and liabilities		
Contributions receivable	(679,273)	(110,736)
Affiliate accounts receivable	121,121	(2,026)
Inventory	(779,752)	937,803
Prepaid expenses	263,783	(393,173)
Accounts payable and accrued liabilities	540,984	(1,403,746)
Deferred revenue	509,261	74,652
Funds held for affiliates	(48,288)	389,139
	<u>6,666,303</u>	<u>(518,832)</u>
Net cash provided by (used in) operating activities		
Investing Activities		
Purchase of investments	(3,361,481)	(2,191,681)
Purchase of fixed assets	(24,494)	(20,789)
Proceeds from sale of investments	3,189,575	2,998,776
	<u>(196,400)</u>	<u>786,306</u>
Net cash provided by (used in) investing activities		
Financing Activities		
Repayments of capital lease obligations	(20,784)	(68,256)
Proceeds from revolving line of credit agreement	9,026,822	-
	<u>9,006,038</u>	<u>(68,256)</u>
Net cash provided by (used in) financing activities		
Increase in Cash and Cash Equivalents	15,475,941	199,218
Cash and Cash Equivalents, Beginning of Year	<u>6,296,268</u>	<u>6,097,050</u>
Cash and Cash Equivalents, End of Year	<u>\$ 21,772,209</u>	<u>\$ 6,296,268</u>
Statements of Financial Position Presentation		
Cash and cash equivalents	\$ 12,745,387	\$ 6,296,268
Restricted cash	9,026,822	-
	<u>\$ 21,772,209</u>	<u>\$ 6,296,268</u>
Supplemental Disclosure of Noncash		
Investing/Financing Activities		
Fixed asset acquired through a capital lease agreement	<u>\$ 3,858</u>	<u>\$ 72,884</u>

Junior Achievement USA

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Junior Achievement USA® is the Regional Operating Center for the United States and reaches out to the local community through a network of area offices who educate and inspire young people to value free enterprise, business and economics to improve the quality of their lives. Junior Achievement USA teaches students in kindergarten through 12th grade about business and economics and accomplishes its mission by placing a volunteer in the classroom to present Junior Achievement USA's educational curricula and materials. An area office is a community-based organization that serves a specific geographic area. Each area office is incorporated under the guidelines of its respective state and by-laws, which govern the actions and responsibilities of the area office's Board of Directors. The Regional Operating Center and the area offices join together under the terms of a signed agreement whose guiding principle is mutual support. As of June 30, 2019, 106 U.S. area offices provided programs in 50 states. The area offices' financial statements are not included in the financial statements of Junior Achievement USA, since it does not have a controlling interest in the area offices' Board of Directors or a financial interest in the area offices' operations. The by-laws of each area office designate a similar purpose not-for-profit organization to receive the residual interest of an area office in the event of dissolution.

Junior Achievement USA's primary revenues come from corporate and individual contributions, private grants, material sales and license fees charged to area offices.

Principles of Consolidation and Basis of Accounting

Effective January 1, 2019, the accompanying financial statements include the accounts of Junior Achievement USA and 3DE National, LLC, a single-member LLC wholly-owned by Junior Achievement USA (collectively, the Organization). All material intercompany transactions and balances have been eliminated in the consolidated financial statements.

Use 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less that are not held for investment purposes to be cash equivalents. At June 30, 2019 and 2018, cash equivalents consisted primarily of money market funds with brokers.

At June 30, 2019, the Organization's cash accounts exceeded federally insured limits by approximately \$19,000,000.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Investments and Investment Return, Net

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; less external and direct internal investment expenses.

Investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Affiliates Accounts Receivable

The Organization's affiliates accounts receivable are comprised principally of sales of materials to area offices as well as area office license fees.

All area offices pay license fees in 10 equal payments using audit verified revenue from the area office's prior year audited financial statements.

Area offices having a balance outstanding of more than 60 days after the end of the month in which the receivable is recognized are considered past due.

Management has established an allowance for doubtful accounts in the amounts of \$90,000 and \$92,000 at June 30, 2019 and 2018, respectively. The allowance is determined by taking into consideration the unique relationship of dependence between area offices and the Organization to deliver the Junior Achievement programs. Area offices having balances over 90 days past due are reviewed by management to determine the appropriate allowance based on past payment history and adherence to their payback plan. An additional 5% of the remaining balance of accounts receivable from affiliates was added to these estimates to arrive at the allowance for doubtful accounts for both 2019 and 2018.

Management will charge-off receivables as uncollectible from area offices based on predetermined payback plan agreements that result in less than 100% collection of receivables.

Inventory

Inventory consists solely of educational textbooks and products. Inventory is stated at the lower of cost or net realizable value (cost determined on a first-in, first-out basis).

Fixed Assets

Fixed assets are recorded at cost. Donated fixed assets are recorded at fair market value on the date of the gift. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Buildings are depreciated using an estimated life of 31.5 years. Estimated useful lives of three to five years are used to depreciate furniture and equipment including assets purchased under capital lease obligations, software and hardware.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

The governing board has designated, from net assets without donor restrictions, net assets to support strategic initiatives for the JA network. Funding is established through operating surpluses that the Organization generates each year. Consistent with the Organization’s strategic plan, board-designated funds have been established for the development of alumni engagement around the world, the Organization’s Centennial campaign, provision of digital and blended learning platforms across the JA network, expansion of educational programs through partnership with other like-minded organizations, as well as investment in human capital.

Net assets with donor restrictions are subject to donor restrictions. Restrictions are temporary in nature, such as those that will be met by certain programs and events specified by the donor.

Contributions and Grants

Contributions and grants are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

Junior Achievement USA

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

In-kind Contributions

In addition to receiving cash contributions, the Organization received in-kind contributions of software, services and other gifts from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense or as a fixed asset in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended June 30, 2019 and 2018, \$890,014 and \$666,375, respectively, was received as in-kind contributions.

Income Taxes

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on relative efforts expended on each activity. Program expenses include the following:

Field services: Encompasses a range of direct support to 106 area offices of the Organization in their mission to provide high-quality economic education to students in the schools, cities and communities served.

Communications and marketing: Heightens awareness and understanding of the Organization's purpose and mission to corporations, volunteers, educators and the general public at local and national levels.

Research and development: Encompasses the development and updates of sequential economic education curriculum for every grade from kindergarten through 12th.

Human resources: Encompasses the training and development of competent professionals necessary to deliver high-quality economic education programs through the use of business volunteers in the classrooms.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Subsequent Events

Subsequent events have been evaluated through December 6, 2019, which is the date the financial statements were available to be issued.

Note 2: Change in Accounting Principle

In 2019, the Organization adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. A summary of the changes is as follows:

Consolidated Statements of Financial Position and Activities

The statement of financial position distinguishes between two new classes of net assets—those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets—unrestricted, temporarily restricted and permanently restricted.

Consolidated Notes to the Financial Statements

Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one-year from the date of the 2019 consolidated statement of financial position.

Amounts and purposes of Governing Board designations and appropriations as of the end of the period are disclosed.

This change had no impact on previously reported total change in net assets.

Note 3: Liquidity and Availability

The Organization receives significant contributions each year from donors, which together with license fees, are available to meet annual cash needs for general expenditures. During the year ended June 30, 2019, the Organization was able to meet its cash needs utilizing operating cash flows.

The following table reflects the Organization's financial assets as of June 30, 2019, reduced by amounts that are not available to meet general expenditures within one year of the 2019 statement of financial position because of donor restrictions or internal board designations. Amounts not available include fund held for affiliates, donor-restricted funding subject to specified purposes and board-designated initiatives that are not considered in the annual operating budget. In the event the need arises to use the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

	2019
Financial Assets	
Cash and cash equivalents	\$ 12,745,387
Investments	11,953,627
Receivables	2,208,307
	26,907,321
Donor, Legal or Other Restrictions and Designations	
Funds held for affiliates	950,257
Board-designated	1,541,749
Donor imposed restrictions	10,057,100
	12,549,106
Financial assets available to meet cash needs for general expenditures within one year	\$ 14,358,215

Note 4: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, 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 full term of the assets or liabilities
- 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

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the hierarchy in which the fair value measurements fall at June 30, 2019 and 2018:

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2019				
Equity securities				
Domestic mutual funds				
Small-cap funds	\$ 524,476	\$ 524,476	\$ -	\$ -
Mid-cap funds	1,114,130	1,114,130	-	-
Large-cap funds	2,750,596	2,750,596	-	-
International mutual funds				
Emerging markets	618,816	618,816	-	-
Large-cap funds	565,255	565,255	-	-
Real asset mutual funds	537,819	537,819	-	-
Alternative strategy mutual funds	434,332	434,332	-	-
Fixed income securities				
Mortgage-backed securities	49,880	-	49,880	-
Corporate bonds	1,501,263	-	1,501,263	-
Government obligations	1,855,344	-	1,855,344	-
International bond funds	637,291	637,291	-	-
Domestic bond funds	1,364,425	1,364,425	-	-
	<u>\$ 11,953,627</u>	<u>\$ 8,547,140</u>	<u>\$ 3,406,487</u>	<u>\$ -</u>

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2018				
Equity securities				
Domestic equity securities	\$ 251,626	\$ 251,626	\$ -	\$ -
Domestic mutual funds				
Small-cap funds	500,760	500,760	-	-
Mid-cap funds	896,245	896,245	-	-
Large-cap funds	2,221,079	2,221,079	-	-
International mutual funds				
Emerging markets	508,830	508,830	-	-
Large-cap funds	773,295	773,295	-	-
Real asset mutual funds	387,148	387,148	-	-
Alternative strategy mutual funds	510,999	510,999	-	-
Fixed income securities				
Mortgage-backed securities	149,082	-	149,082	-
Corporate bonds	2,257,564	-	2,257,564	-
Government obligations	1,779,567	-	1,779,567	-
International bond funds	528,251	528,251	-	-
Domestic bond funds	755,906	755,906	-	-
Total	<u>\$ 11,520,352</u>	<u>\$ 7,334,139</u>	<u>\$ 4,186,213</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation technique during the year ended June 30, 2019. The Organization does not carry any securities classified within Level 3 of the hierarchy.

Equity Securities

The Organization is invested in money market mutual funds, domestic and international equity mutual funds, real asset mutual funds and alternative strategy mutual funds where quoted market prices for identical securities are available in an active market. As such, these investments are all classified within Level 1 of the valuation hierarchy.

Fixed Income Securities

The Organization's fixed income securities include domestic and international fixed income bond funds, where quoted market prices for identical securities are available in an active market. These investments are classified within Level 1 of the valuation hierarchy.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

The Organization is also invested in mortgage-backed securities, corporate bonds and governmental obligations where quoted market prices are not available in an active market. Fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. These investments are classified within Level 2 of the valuation hierarchy.

Note 5: Contributions Receivable

Contributions receivable consist of the following at June 30:

	2019		
	Unrestricted	Temporarily Restricted	Total
Due within one year	\$ 383,749 *	\$ 1,114,765	\$ 1,498,514
Due in one to five years	-	1,093,600	1,093,600
	383,749	2,208,365	2,592,114
Allowance for uncollectible contributions receivable	-	(10,000)	(10,000)
Unamortized discount	-	(47,329)	(47,329)
	<u>\$ 383,749</u>	<u>\$ 2,151,036</u>	<u>\$ 2,534,785</u>

* Included in the amount reported as without donor restriction is approximately \$275,000 of contributions receivable that are held for affiliates.

	2018		
	Unrestricted	Temporarily Restricted	Total
Due within one year	\$ 65,742	\$ 1,641,354	\$ 1,707,096
Due in one to five years	-	160,000	160,000
	65,742	1,801,354	1,867,096
Allowance for uncollectible contributions receivable	-	(10,000)	(10,000)
Unamortized discount	-	(1,584)	(1,584)
	<u>\$ 65,742</u>	<u>\$ 1,789,770</u>	<u>\$ 1,855,512</u>

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Note 6: Fixed Assets, Net

Property and equipment at June 30, 2019 and 2018 consists of:

	<u>2019</u>	<u>2018</u>
Land	\$ 1,260,730	\$ 1,260,730
Buildings	4,120,471	4,120,471
Software	5,796,224	5,771,728
Furniture and equipment	401,049	480,690
Artwork	<u>30,000</u>	<u>30,000</u>
	11,608,474	11,663,619
Less accumulated depreciation and amortization	<u>10,223,568</u>	<u>10,236,293</u>
	<u>\$ 1,384,906</u>	<u>\$ 1,427,326</u>

Note 7: Revolving Credit Agreement

	<u>2019</u>	<u>2018</u>
Revolving credit agreement (A)	\$ 9,026,822	\$ -
Less current maturities	<u>2,998,000</u>	<u>-</u>
	<u>\$ 6,028,822</u>	<u>\$ -</u>

- (A) During 2019, the Organization entered into a revolving credit agreement with First Western Trust Bank, whereby the Organization has access to draw up to \$12,000,000 at a floating interest rate equal to the prime rate minus 1.25%, and payable in laddered, quarterly installments until maturity in June 2022. Proceeds from the agreement have been legally restricted for pension plan contributions in connection with the termination of the pension plan described in Note 10. The Organization is required to meet certain financial and non-financial covenants.

Aggregate annual maturities on revolving credit agreement at June 30, 2019, are:

2020	\$ 2,998,000
2021	3,003,000
2022	<u>3,025,822</u>
	<u>\$ 9,026,822</u>

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Note 8: Capital Lease Obligations

Capital lease obligations at June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Capital lease obligations, non interest-bearing	\$ 56,358	\$ 73,284
Less current maturities	<u>21,435</u>	<u>20,140</u>
	<u>\$ 34,923</u>	<u>\$ 53,144</u>

Aggregate annual maturities on capital lease obligations at June 30, 2019 are:

	<u>Capital Lease Obligations</u>
2020	\$ 21,435
2021	18,221
2022	<u>16,702</u>
	<u>\$ 56,358</u>

Property and equipment includes the following under capital leases at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 91,181	\$ 91,181
Less accumulated depreciation	<u>(35,634)</u>	<u>(14,800)</u>
	<u>\$ 55,547</u>	<u>\$ 76,381</u>

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Note 9: Net Assets

Board-designated Net Assets

The Organization's Board of Governors has designated net assets for the following purposes:

	<u>2019</u>	<u>2018</u>
Headquarters Development	\$ 1,311,325	\$ 1,265,448
Colgate-Hook Memorial	222,470	215,061
Leadership Conference Scholarship Fund	<u>7,954</u>	<u>7,954</u>
	<u>\$ 1,541,749</u>	<u>\$ 1,488,463</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to Expenditure for a Specific Purpose		
Educational and other programs	\$ 7,906,064	\$ 3,315,083
Promises to give, the proceeds from which have been restricted by donors for educations and other programs	<u>2,151,036</u>	<u>1,789,770</u>
	<u>\$ 10,057,100</u>	<u>\$ 5,104,853</u>

Note 10: Pension and Postretirement Plan

Multi-employer Pension Plan (Terminated effective June 30, 2019)

Prior to June 30, 2019, the Organization offered a noncontributory defined benefit pension plan (the Plan) to its employees. The Plan is administered by the Organization and covered all full-time employees of the Organization, JA Worldwide, Inc. and participating Junior Achievement Areas in the United States. The Plan is accounted for like a multi-employer plan. Benefits were determined based on years of service and salary history. The Plan's assets are invested in various investment funds. Prior to June 30, 2019, the respective participants' employers were required to fund the Plan, as determined by the Organization's Board of Directors, based on an annual actuarial valuation. Prior to June 30, 2019, the Organization made contributions equal to 16.75% of plan participants' eligible compensation. The Organization recognizes, as net pension cost, the required contribution for the period and recognizes, as a liability, any contributions due and unpaid. There is no recognition of the funded status of the Plan in the financial statements of the Organization.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Effective June 30, 2019, the Board of Directors of the Organization approved the termination of the Defined Benefit Plan, at which time all participants who were active in the plan became fully vested for their respective accrued benefits. The Plan shall liquidate and distribute each participant's accrued benefits as soon as administratively practicable. The Plan requires that participating employers (including the Organization) remain liable for any funding obligations under the Plan, until all liabilities and obligations of the Plan have been satisfied, and are thereby required to make contributions equal to 13.25% of participants' eligible compensation.

In connection with the termination of the Plan, the Organization obtained a loan (described in Note 7) to fund the estimated required contributions to terminate the Plan. At June 30, 2019, proceeds from the loan had been received and restricted for plan contributions, but were not remitted to the Plan until after year-end.

Total Plan Information

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

	<u>2019</u>	<u>2018</u>
Benefit obligation	\$ (62,262,457)	\$ (71,419,867)
Fair value of plan assets	<u>67,171,000</u>	<u>65,828,128</u>
Over/(under) funded status	<u>\$ 4,908,543</u>	<u>\$ (5,591,739)</u>
Accumulated benefit obligation	<u>\$ 62,262,457</u>	<u>\$ 65,387,421</u>

At June 30, 2019, Plan participant's benefits were frozen with vested distributions to plan participant's being received once the Plan officially liquidates.

Significant assumptions include:

Weighted-average assumptions used to determine benefit obligations at June 30:

	<u>2019</u>	<u>2018</u>
Discount rate	3.50%	4.00%
Rate of compensation increase	n/a	4.00%

Weighted-average assumptions used to determine benefit costs at June 30:

	<u>2019</u>	<u>2018</u>
Discount rate	3.50%	4.00%
Expected return on plan assets	0.00%	6.25%
Rate of compensation increase	n/a	4.00%

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

At June 30, 2019, no further investment returns were expected as plan assets are pending liquidation and distribution to plan participants. At June 30, 2018, the estimated long-term rate of return on plan assets is based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

Plan assets are held by Reliance Trust Company and investment decisions are made in accordance with the provisions of the Plan’s investment agreement by the Plan’s investment advisor. The investment agreement permits investment in common stocks, corporate bonds, real estate and cash based on certain target allocation percentages.

At June 30, plan assets by category are as follows:

	2019	2018
Equity mutual funds	0.00%	54.20%
Fixed income mutual funds	98.60%	39.10%
Real estate mutual funds	0.00%	5.30%
Cash	1.40%	1.40%
	100.00%	100.00%

Information on the Organization’s Participating in the Plan

The risks to the Organization of participating in this multi-employer pension plan are different from single-employer plans in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
2. If a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be borne by the remaining participating employers.
3. If the Organization chooses to stop participating in the Plan, the Organization would be required to pay the Plan an amount based on the underfunded status of the Plan, referred to as a withdrawal liability.

The Organization’s participation in this Plan for the annual period ended June 30, 2019 is outlined in the table below. The “EIN/Pension Plan Number” column provides the Employee Identification Number (EIN) and the three-digit plan number. The Plan’s funded status available in 2019 and 2018 is for years ended June 30, 2019 and 2018. There have been no significant changes that affect the comparability of 2019 and 2018 contributions.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Pension Fund	EIN/Pension Plan Number	Funded Status		Contributions of Organization	
		2019	2018	2019	2018
Retirement Plan for Employees of Junior Achievement USA	13-1635270 PN 333	108%	92%	\$ 1,201,910	\$ 1,153,789

The Organization was listed in its plan's Form 5500 as providing more than 5% of the total contributions for the June 30, 2019 and 2018 plan years.

Note 11: Health and Welfare Benefits Trust and Postretirement Benefits Plan

Health and Welfare Benefits Trust

The Organization has a self-funded medical, dental and other benefits plan covering full-time employees of the Organization and their beneficiaries and covered dependents. The plan is accounted for like a multi-employer plan. Premiums are paid into the Health and Welfare Plan for each participant by the participating employers. Employees of the Organization, JA Worldwide, Inc. and employees of Junior Achievement USA chapters can participate in the Health and Welfare Plan. All the assets and liabilities of the Health and Welfare Plan are held in the Junior Achievement USA Health and Welfare Benefits Trust (Benefits Trust). Accordingly, no balances or transactions of the Benefits Trust are recorded in the financial statements of the Organization.

The following represents summarized financial information pertaining to the Benefits Trust as of and for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Assets	\$ 6,895,937	\$ 6,951,750
Liabilities	<u>352,778</u>	<u>691,661</u>
Net assets	<u>\$ 6,543,159</u>	<u>\$ 6,260,089</u>
Additions to net assets	\$ 8,257,549	\$ 7,593,596
Deductions from net assets	<u>7,974,479</u>	<u>8,323,989</u>
Change in net assets	283,070	(730,393)
Net assets, beginning of year	<u>6,260,089</u>	<u>6,990,482</u>
Net assets, end of year	<u>\$ 6,543,159</u>	<u>\$ 6,260,089</u>

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

In addition to the summarized financial information presented above, the Benefits Trust also reports in the notes to the April 30, 2019 and 2018 audited financial statements, claims payable of \$258,319 and \$207,689, respectively, and claims incurred but not reported of \$570,361 and \$445,073, 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 Organization does not believe the implicit rate subsidy amount to be material to the Organization, especially since the Plan is a multi-employer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the financial statements of the Organization.

Total Postretirement Plan Information

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

	<u>2019</u>	<u>2018</u>
Benefit obligation	\$ (7,467,134)	\$ (7,311,595)
Fair value of plan assets	-	-
Underfunded status	<u>\$ (7,467,134)</u>	<u>\$ (7,311,595)</u>
Accumulated benefit obligation	<u>\$ (7,467,134)</u>	<u>\$ (7,311,595)</u>

Weighted-average assumptions used to determine benefit obligations at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Discount rate	3.50%	4.00%
Rate of compensation increase	3.00%	4.00%

Weighted-average assumptions used to determine benefit costs at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Discount rate	4.00%	3.50%
Rate of compensation increase	4.00%	4.00%

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2019:

2020	\$ 271,673
2021	302,329
2022	334,162
2023	343,356
2024	311,983
2025 to 2029	1,924,121

The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2019 and 2018 was \$1,053,657 and \$1,029,232, respectively.

Note 12: Related-party Transactions

Activity with JA Worldwide, Inc.

The Organization and JA Worldwide, Inc. are related parties that are not financially interrelated organizations. Through a contractual agreement, JA Worldwide, Inc. purchased fund raising, accounting and administrative support services from Junior Achievement USA® totaling \$3,073 and \$2,970 during 2019 and 2018, respectively. Through a license fee agreement between JA Worldwide, Inc. and the Organization, JA Worldwide, Inc. assessed a license fee of 1% of prior fiscal year gross revenues of each of the local area offices for their use of logos and trademarks owned by JA Worldwide, Inc. The Organization remits this fee to JA Worldwide, Inc. from the license fees the Organization collects from each local area office. As a result, the Organization recorded an expense of \$1,338,376 and \$1,355,497 during 2019 and 2018, respectively, to JA Worldwide, Inc. The revenue and expense generated from these transactions are recorded in other income and management and general support service expense on the statements of activities.

Any uncollected and unpaid balances related to transactions with JA Worldwide, Inc. are shown net in the due from related party or due to related party line items on the statements of financial position. For 2019 and 2018, the net unpaid balance was \$101,050 and \$314, respectively.

Activity with Board Members and Other Related Parties

Contributions of cash, in-kind gifts and pledges from related parties, including board members and corporations associated with board members was \$2,308,218 and \$2,386,702 during the years ended June 30, 2019 and 2018, respectively. Contributions receivable from related parties including board members and corporations controlled by board members was \$1,510,330 and \$586,435 as of June 30, 2019 and 2018, respectively.

Junior Achievement USA

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Activity with USA Area Offices

The Organization assists its area offices around the U.S. in establishing their own organizations to administer Junior Achievement programs. The Organization holds funds on behalf of certain of these members for their U.S. expenses. These are included in cash/investments and contributions receivable on the statements of financial position and total \$675,257 and \$275,000 respectively, as of June 30, 2019 and total \$557,873 and \$440,672 respectively, as of June 30, 2018. During the years ended June 30, 2019 and 2018, the Organization passed through to the area offices \$4,352,552 and \$3,696,018, respectively, of funds resource providers directed to be transferred to them. Because the Organization functions as a conduit, these amounts have not been reflected on the statements of activities. Approximately \$52,552 and \$248,192 of these pass-through funds at June 30, 2019 and 2018, respectively, were committed for distribution but not yet transferred to the area offices. These undistributed amounts reside in accounts payable on the statements of financial position.

Substantially all of the Organization's accounts receivable as of June 30, 2019 and 2018, relate to sales of materials to international members and area offices. These related party sales and cost of sales amounted to \$13,370,823 and \$13,650,671, respectively, for 2019 and \$4,078,382 and \$14,161,440, respectively, for 2018.

The Organization also receives license fee income from area offices. These fees totaled \$4,915,286 and \$4,956,046 for the years ended June 30, 2019 and 2018, respectively. The Organization has accounts receivable of \$795,892 and \$923,501 as of June 30, 2019 and 2018, respectively, from area offices.

Note 13: Significant Estimates and Concentrations

Generally accepted accounting principles require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contribution Concentrations

Contribution revenue (including grants and in-kind contributions) of \$10,804,205 and \$6,616,206 in 2019 and 2018, comprised approximately 35% of the Organization's total support and revenue. Approximately 75% of contribution revenue was received from four donors in 2019. No individual donors exceeded 20% of contribution revenue in 2018.

Inventory Obsolescence

The Organization maintains educational textbooks and products which are held for resale. Each year the Organization estimates an allowance for obsolete inventory, which was \$75,000 at June 30, 2019 and 2018. Actual inventory obsolescence may vary from the allowance accrued.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

General Litigation

The Organization is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Organization. Events could occur that would change this estimate materially in the near term.

Note 14: Future Change in Accounting Principle

Revenue Recognition

The Financial Accounting Standards Board amended its standards related to revenue recognition. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for nonpublic entities for annual periods beginning after December 15, 2018. The Organization is in the process of evaluating the effect the amendment will have on the consolidated financial statements.

Supplementary Information

Junior Achievement USA
Schedule of Functional Expenses
Year Ended June 30, 2018

	<u>Program Services</u>					<u>Support Services</u>			<u>Total Expenses</u>
	<u>Field Services</u>	<u>Communications & Marketing</u>	<u>Research & Development</u>	<u>Human Resources</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Support Services</u>	
June 30, 2018									
Compensation	\$ 2,899,857	\$ 393,552	\$ 5,126,532	\$ 310,699	\$ 8,730,640	\$ 828,530	\$ 797,461	\$ 1,625,991	\$ 10,356,631
Occupancy	91,316	44,030	93,938	43,036	272,320	498,168	133,628	631,796	904,116
Product development	2,735,363	396,628	3,510,473	182,358	6,824,822	2,097,111	195,943	2,293,054	9,117,876
Program support	1,631,865	319,693	1,646,179	85,888	3,683,625	715,730	372,180	1,087,910	4,771,535
Office services	387,049	79,002	146,825	47,773	660,649	389,698	79,060	468,758	1,129,407
Depreciation and amortization	60,631	9,633	73,584	6,411	150,259	40,830	12,899	53,729	203,988
Total expenses	<u>\$ 7,806,081</u>	<u>\$ 1,242,538</u>	<u>\$ 10,597,531</u>	<u>\$ 676,165</u>	<u>\$ 20,322,315</u>	<u>\$ 4,570,067</u>	<u>\$ 1,591,171</u>	<u>\$ 6,161,238</u>	<u>\$ 26,483,553</u>

Junior Achievement USA
Schedule of Financial Position – Consolidating Information
June 30, 2019

Assets

	Junior Achievement USA	3DE National, LLC	Eliminations	Total
Current Assets				
Cash and cash equivalents	\$ 10,169,425	\$ 2,575,962	\$ -	\$ 12,745,387
Restricted cash	9,026,822	-	-	9,026,822
Investments	11,953,627	-	-	11,953,627
Contributions receivable, net	1,488,514	-	-	1,488,514
Affiliates accounts receivable, net of allowance; \$90,000	705,441	-	-	705,441
Inventory	3,282,471	-	-	3,282,471
Prepaid expenses	363,719	28,299	-	392,018
Accounts receivable - other	14,352	-	-	14,352
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	37,004,371	2,604,261	-	39,608,632
Contributions Receivable, Net	1,046,271	-	-	1,046,271
Affiliates Accounts Receivable, Net of Current Portion and Allowance; \$0	90,451	-	-	90,451
Fixed Assets, Net	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 39,525,999</u>	<u>\$ 2,604,261</u>	<u>\$ -</u>	<u>\$ 42,130,260</u>

Junior Achievement USA
Schedule of Financial Position – Consolidating Information (continued)
June 30, 2019

Liabilities and Net Assets

	Junior Achievement USA	3DE National, LLC	Eliminations	Total
Current Liabilities				
Accounts payable - trade	\$ 3,138,000	\$ 115,894	\$ -	\$ 3,253,894
Accounts payable - affiliates	-	81,373	-	81,373
Accrued liabilities	339,606	249,458	-	589,064
Deferred revenue	841,862	-	(179,975)	661,887
Current maturities of revolving credit agreement	2,998,000	-	-	2,998,000
Current maturities of capital lease obligations	21,435	-	-	21,435
Funds held for affiliates	950,257	-	-	950,257
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	8,289,160	446,725	(179,975)	8,555,910
Revolving Credit Agreement, Net of Current Maturities	6,028,822	-	-	6,028,822
Capital Lease Obligations, Net of Current Maturities	34,923	-	-	34,923
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	14,352,905	446,725	(179,975)	14,619,655
Net Assets				
Without donor restrictions				
Undesignated	15,654,245	77,536	179,975	15,911,756
Board-designated	1,541,749	-	-	1,541,749
	<hr/>	<hr/>	<hr/>	<hr/>
	17,195,994	77,536	179,975	17,453,505
With donor restrictions - purpose restrictions	7,977,100	2,080,000	-	10,057,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	25,173,094	2,157,536	179,975	27,510,605
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	\$ 39,525,999	\$ 2,604,261	\$ -	\$ 42,130,260
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Junior Achievement USA
Schedule of Revenues, Expenses and Changes in Net Assets –
Consolidating Information
Year Ended June 30, 2019

	Junior Achievement USA					3DE National, LLC				
	Total					Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
	Undesignated	Board- Designated	Without Donor Restrictions	With Donor Restrictions	Total					
Support and Revenue										
Contributions	\$ 1,631,453	\$ 9,000	\$ 1,640,453	\$ 8,050,491	\$ 9,690,944	\$ 1,854,372	\$ 3,305,000	\$ 5,159,372	\$ -	\$ 14,850,316
Grants	242,233	-	242,233	-	242,233	-	-	-	-	242,233
In-kind contributions	268,982	-	268,982	621,032	890,014	-	-	-	-	890,014
Materials sales	13,370,823	-	13,370,823	-	13,370,823	-	-	-	-	13,370,823
Area license fees	4,915,286	-	4,915,286	-	4,915,286	-	-	-	-	4,915,286
Investment return, net	562,903	53,535	616,438	8,224	624,662	-	-	-	-	624,662
Other income	375,241	-	375,241	-	375,241	2,832	-	2,832	-	378,073
Net assets released from restrictions - purpose restrictions for educational and other programs	5,807,500	-	5,807,500	(5,807,500)	-	1,225,000	(1,225,000)	-	-	-
Total support and revenue	27,174,421	62,535	27,236,956	2,872,247	30,109,203	3,082,204	2,080,000	5,162,204	-	35,271,407
Expenses										
Program services										
Field services	12,163,174	1,591	12,164,765	-	12,164,765	1,844,184	-	1,844,184	-	14,008,949
Communications and marketing	1,075,758	-	1,075,758	-	1,075,758	96,149	-	96,149	-	1,171,907
Research and development	5,315,130	-	5,315,130	-	5,315,130	757,176	-	757,176	-	6,072,306
Human resources	801,289	-	801,289	-	801,289	81,126	-	81,126	-	882,415
Total program services	19,355,351	1,591	19,356,942	-	19,356,942	2,778,635	-	2,778,635	-	22,135,577
Support services										
Management and general	4,033,182	7,658	4,040,840	-	4,040,840	174,998	-	174,998	(179,975)	4,035,863
Fundraising	2,197,459	-	2,197,459	-	2,197,459	51,035	-	51,035	-	2,248,494
Total support services	6,230,641	7,658	6,238,299	-	6,238,299	226,033	-	226,033	(179,975)	6,284,357
Total expenses	25,585,992	9,249	25,595,241	-	25,595,241	3,004,668	-	3,004,668	(179,975)	28,419,934
Change in Net Assets	1,588,429	53,286	1,641,715	2,872,247	4,513,962	77,536	2,080,000	2,157,536	179,975	6,851,473
Net Assets, Beginning of Year	14,065,816	1,488,463	15,554,279	5,104,853	20,659,132	-	-	-	-	20,659,132
Net Assets, End of Year	\$ 15,654,245	\$ 1,541,749	\$ 17,195,994	\$ 7,977,100	\$ 25,173,094	\$ 77,536	\$ 2,080,000	\$ 2,157,536	\$ 179,975	\$ 27,510,605