

Junior Achievement USA

Independent Auditor's Report and Financial Statements

June 30, 2015 and 2014

Junior Achievement USA
June 30, 2015 and 2014

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Independent Auditor's Report

Board of Directors
Junior Achievement USA
Colorado Springs, Colorado

We have audited the accompanying financial statements of Junior Achievement USA (the Organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement USA as of June 30, 2015 and 2014, 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information including the statements of functional expenses, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

BKD, LLP

Colorado Springs, Colorado
October 5, 2015

Junior Achievement USA
Statements of Financial Position
June 30, 2015 and 2014

Assets

	<u>2015</u>	<u>2014</u>
Current Assets		
Cash and cash equivalents	\$ 6,473,600	\$ 6,787,708
Investments	11,589,359	7,404,435
Contributions receivable	1,931,733	1,325,624
Affiliates accounts receivable, net of allowance; 2015 - \$46,410 and 2014 - \$171,934	754,902	723,704
Inventory	2,287,604	2,807,279
Prepaid expenses	434,938	333,185
Due from related party	-	25,326
Accounts receivable - other	<u>58,521</u>	<u>21,823</u>
Total current assets	23,530,657	19,429,084
Contributions Receivable, Net	1,739,842	827,727
Affiliates Accounts Receivable, Net of Current Portion and Allowance; 2015 - \$108,590 and 2014 - \$8,066	85,440	9,934
Fixed Assets, Net	<u>2,708,671</u>	<u>4,358,597</u>
Total assets	<u><u>\$ 28,064,610</u></u>	<u><u>\$ 24,625,342</u></u>

Junior Achievement USA
Statements of Financial Position (continued)
June 30, 2015 and 2014

Liabilities and Net Assets

	<u>2015</u>	<u>2014</u>
Current Liabilities		
Accounts payable - trade	\$ 3,617,326	\$ 3,703,487
Accrued liabilities	241,636	216,090
Deferred revenue	147,513	151,674
Current maturities of capital lease obligations	79,201	79,162
Due to related party	33,743	-
Funds held for affiliates	<u>1,635,630</u>	<u>773,511</u>
Total current liabilities	5,755,049	4,923,924
Capital Lease Obligations, Net of Current Maturities	<u>147,918</u>	<u>227,119</u>
Total liabilities	<u>5,902,967</u>	<u>5,151,043</u>
Net Assets		
Unrestricted, undesignated	11,451,016	10,283,676
Board-designated	<u>1,321,540</u>	<u>1,333,729</u>
Total unrestricted net assets	12,772,556	11,617,405
Temporarily restricted	<u>9,389,087</u>	<u>7,856,894</u>
Total net assets	<u>22,161,643</u>	<u>19,474,299</u>
Total liabilities and net assets	<u>\$ 28,064,610</u>	<u>\$ 24,625,342</u>

Junior Achievement USA
Statement of Activities
Year Ended June 30, 2015

	Unrestricted - Undesignated	Board- Designated	Total Unrestricted	Temporarily Restricted	Total
Support and Revenue					
Contributions	\$ 1,180,380	\$ 9,000	\$ 1,189,380	\$ 7,904,629	\$ 9,094,009
In-kind contributions	3,097	-	3,097	-	3,097
Materials sales	14,009,199	-	14,009,199	-	14,009,199
Area license fees	4,730,134	-	4,730,134	-	4,730,134
Investment return	125,994	(13,146)	112,848	(65,754)	47,094
Other income	537,618	-	537,618	-	537,618
Net assets released from restrictions	6,306,682	-	6,306,682	(6,306,682)	-
	<u>26,893,104</u>	<u>(4,146)</u>	<u>26,888,958</u>	<u>1,532,193</u>	<u>28,421,151</u>
Expenses					
Program services					
Field services	8,282,478	875	8,283,353	-	8,283,353
Communications and marketing	1,425,148	-	1,425,148	-	1,425,148
Research and development	9,395,362	-	9,395,362	-	9,395,362
Human resources	485,634	-	485,634	-	485,634
	<u>19,588,622</u>	<u>875</u>	<u>19,589,497</u>	<u>-</u>	<u>19,589,497</u>
Support services					
Management and general	4,848,626	7,168	4,855,794	-	4,855,794
Fundraising	1,288,516	-	1,288,516	-	1,288,516
	<u>6,137,142</u>	<u>7,168</u>	<u>6,144,310</u>	<u>-</u>	<u>6,144,310</u>
	<u>25,725,764</u>	<u>8,043</u>	<u>25,733,807</u>	<u>-</u>	<u>25,733,807</u>
Change in Net Assets	1,167,340	(12,189)	1,155,151	1,532,193	2,687,344
Net Assets, Beginning of Year	<u>10,283,676</u>	<u>1,333,729</u>	<u>11,617,405</u>	<u>7,856,894</u>	<u>19,474,299</u>
Net Assets, End of Year	<u>\$ 11,451,016</u>	<u>\$ 1,321,540</u>	<u>\$ 12,772,556</u>	<u>\$ 9,389,087</u>	<u>\$ 22,161,643</u>

Junior Achievement USA
Statement of Activities
Year Ended June 30, 2014

	Unrestricted - Undesignated	Board- Designated	Total Unrestricted	Temporarily Restricted	Total
Support and Revenue					
Contributions	\$ 1,225,871	\$ 9,000	\$ 1,234,871	\$ 4,586,154	\$ 5,821,025
In-kind contributions	42,512	-	42,512	460,616	503,128
Materials sales	14,259,030	-	14,259,030	-	14,259,030
Area license fees	4,639,212	-	4,639,212	-	4,639,212
Investment return	573,350	132,774	706,124	108,710	814,834
Other income	777,429	-	777,429	-	777,429
Net assets released from restrictions	6,175,061	-	6,175,061	(6,175,061)	-
	<u>27,692,465</u>	<u>141,774</u>	<u>27,834,239</u>	<u>(1,019,581)</u>	<u>26,814,658</u>
Expenses					
Program services					
Field services	8,976,961	1,445	8,978,406	-	8,978,406
Communications and marketing	1,230,913	-	1,230,913	-	1,230,913
Research and development	9,392,145	-	9,392,145	-	9,392,145
Human resources	427,586	-	427,586	-	427,586
	<u>20,027,605</u>	<u>1,445</u>	<u>20,029,050</u>	<u>-</u>	<u>20,029,050</u>
Support services					
Management and general	4,812,991	66,936	4,879,927	-	4,879,927
Fundraising	1,365,946	-	1,365,946	-	1,365,946
	<u>6,178,937</u>	<u>66,936</u>	<u>6,245,873</u>	<u>-</u>	<u>6,245,873</u>
	<u>26,206,542</u>	<u>68,381</u>	<u>26,274,923</u>	<u>-</u>	<u>26,274,923</u>
Change in Net Assets Before Net Assets Transfer to Related Party	1,485,923	73,393	1,559,316	(1,019,581)	539,735
Net Assets Transfer to Related Party	<u>-</u>	<u>-</u>	<u>-</u>	<u>(860,587)</u>	<u>(860,587)</u>
Change in Net Assets	1,485,923	73,393	1,559,316	(1,880,168)	(320,852)
Net Assets, Beginning of Year	<u>8,797,753</u>	<u>1,260,336</u>	<u>10,058,089</u>	<u>9,737,062</u>	<u>19,795,151</u>
Net Assets, End of Year	<u>\$ 10,283,676</u>	<u>\$ 1,333,729</u>	<u>\$ 11,617,405</u>	<u>\$ 7,856,894</u>	<u>\$ 19,474,299</u>

Junior Achievement USA
Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Activities		
Change in net assets	\$ 2,687,344	\$ (320,852)
Items not requiring (providing) operating activities cash flows		
Depreciation and amortization	1,649,926	1,691,451
Gain on disposal of assets	-	(5,639)
Bad debt expense	1,270	9,874
Net realized and unrealized (gain) loss on investments	314,370	(621,535)
Net assets transfer to related party	-	860,587
Noncash contributions of fixed assets	-	(65,616)
Changes in assets and liabilities		
Contributions receivable	(1,518,224)	(311,074)
Affiliate accounts receivable	(144,672)	936,741
Inventory	519,675	518,793
Prepaid expenses	(101,753)	4,769
Accounts payable and accrued liabilities	(60,615)	(481,419)
Deferred revenue	(4,161)	11,954
Funds held for affiliates	862,119	123,911
Due from/to related party	59,069	(34,081)
Net cash provided by operating activities	<u>4,264,348</u>	<u>2,317,864</u>
Investing Activities		
Purchase of investments	(7,341,370)	(762,941)
Purchase of fixed assets	-	(12,687)
Proceeds from sale of investments	<u>2,842,076</u>	<u>3,598,037</u>
Net cash provided by (used in) investing activities	<u>(4,499,294)</u>	<u>2,822,409</u>
Financing Activities		
Repayments of capital lease obligations	(79,162)	(125,085)
Transfer of cash to related party	-	(1,377,823)
Net cash used in financing activities	<u>(79,162)</u>	<u>(1,502,908)</u>
Increase (Decrease) in Cash and Cash Equivalents	(314,108)	3,637,365
Cash and Cash Equivalents, Beginning of Year	<u>6,787,708</u>	<u>3,150,343</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,473,600</u>	<u>\$ 6,787,708</u>
Supplemental Cash Flows Information		
During 2014, the Organization transferred certain assets to a related party		
Cash transferred	\$ -	\$ (1,377,823)
Plus liabilities transferred	-	517,236
Net transfer	<u>\$ -</u>	<u>\$ (860,587)</u>
Acquisition of equipment through capital lease obligations, including trade-ins	<u>\$ -</u>	<u>\$ 320,423</u>

Junior Achievement USA

Notes to Financial Statements

June 30, 2015 and 2014

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

Nature of Operations

Junior Achievement USA® (the Organization) is the Regional Operating Center for the United States. The Organization 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. The Organization teaches students in kindergarten through 12th grade about business and economics and accomplishes its mission by placing a volunteer in the classroom to present the Organization'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, 2015, 115 U.S. area offices provided programs in 50 states. The area offices' financial statements are not included in the financial statements of the Organization, 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.

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

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 to be cash equivalents. At June 30, 2015 and 2014, cash equivalents consisted primarily of money market funds with brokers.

At June 30, 2015, the Organization's cash accounts exceeded federally insured limits by approximately \$5,820,000.

Some of the Organization's accounts (classified as money market accounts) are not eligible for FDIC coverage because they are held with a brokerage firm. These accounts total approximately \$465,000 at June 30, 2015.

Junior Achievement USA

Notes to Financial Statements

June 30, 2015 and 2014

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Investments in certificates of deposit are valued at cost, which approximates market. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return is reflected in the statements of activities as unrestricted or temporarily restricted 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 \$155,000 and \$180,000 at June 30, 2015 and 2014, 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% and 6% of the remaining balance of accounts receivable from affiliates was added to these estimates to arrive at the allowance for doubtful accounts for 2015 and 2014, respectively.

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

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.

Junior Achievement USA

Notes to Financial Statements

June 30, 2015 and 2014

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. 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 temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

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, 2015 and 2014, \$3,097 and \$503,128, respectively, was received in 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.

The Organization files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Organization is no longer subject to U.S. federal examinations by tax authorities for years before 2012.

Junior Achievement USA

Notes to Financial Statements

June 30, 2015 and 2014

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 115 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.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Note 2: Investments and Investment Return

Investments at June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Money market mutual funds	\$ 2,108,800	\$ 108,883
Equity securities		
Domestic mutual funds		
Small-cap funds	391,528	380,681
Mid-cap funds	578,647	453,827
Large-cap funds	1,294,198	920,170
International mutual funds		
Emerging Markets	245,280	258,780
Large-cap funds	630,508	511,935
Real asset mutual funds	199,080	256,760
Alternative strategy mutual funds	756,443	547,120
Fixed income securities		
Mortgage backed securities	161,893	-
Corporate bonds	2,214,044	935,937
Government bonds	1,147,371	-
International bond funds	1,212,560	1,156,227
Domestic bond funds	649,007	1,874,115
	<u> </u>	<u> </u>
Total	<u>\$ 11,589,359</u>	<u>\$ 7,404,435</u>

Total investment return is comprised of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 361,464	\$ 193,299
Net realized and unrealized gains (losses) on investments reported at fair value	<u>(314,370)</u>	<u>621,535</u>
	<u>\$ 47,094</u>	<u>\$ 814,834</u>

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Note 3: 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 Financial Statements
June 30, 2015 and 2014

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities 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, 2015 and 2014:

	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, 2015				
Money market mutual funds	\$ 2,108,800	\$ 2,108,800	\$ -	\$ -
Equity securities				
Domestic mutual funds				
Small-cap funds	391,528	391,528	-	-
Mid-cap funds	578,647	578,647	-	-
Large-cap funds	1,294,198	1,294,198	-	-
International mutual funds				
Emerging markets	245,280	245,280	-	-
Large-cap funds	630,508	630,508	-	-
Real asset mutual funds	199,080	199,080	-	-
Alternative strategy mutual funds	756,443	756,443	-	-
Fixed income securities				
Mortgage backed securities	161,893	-	161,893	-
Corporate bonds	2,214,044	-	2,214,044	-
Government obligations	1,147,371	-	1,147,371	-
International bond funds	1,212,560	1,212,560	-	-
Domestic bond funds	649,007	649,007	-	-
Total	\$11,589,359	\$ 8,066,051	\$ 3,523,308	\$ -

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

	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, 2014				
Money market mutual funds	\$ 108,883	\$ 108,883	\$ -	\$ -
Equity securities				
Domestic mutual funds				
Small-cap funds	380,681	380,681	-	-
Mid-cap funds	453,827	453,827	-	-
Large-cap funds	920,170	920,170	-	-
International mutual funds				
Emerging markets	258,780	258,780	-	-
Large-cap funds	511,935	511,935	-	-
Real asset mutual funds	256,760	256,760	-	-
Alternative strategy mutual funds	547,120	547,120	-	-
Fixed income securities				
Corporate bonds	935,937	-	935,937	-
International bond funds	1,156,227	1,156,227	-	-
Domestic bond funds	1,874,115	1,874,115	-	-
Total	<u>\$ 7,404,435</u>	<u>\$ 6,468,498</u>	<u>\$ 935,937</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets and liabilities 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, 2015. The Organization does not carry any securities classified within Level 3 of the hierarchy.

Money Market Mutual Funds and 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.

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

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.

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 4: Contributions Receivable

Contributions receivable consist of the following at June 30:

	2015		
	Unrestricted	Temporarily Restricted	Total
Due within one year	\$ 40,000	\$ 1,891,733	\$ 1,931,733
Due in one to five years	-	1,776,000	1,776,000
	40,000	3,667,733	3,707,733
Unamortized discount	-	(36,158)	(36,158)
	<u>\$ 40,000</u>	<u>\$ 3,631,575</u>	<u>\$ 3,671,575</u>
	2014		
	Unrestricted	Temporarily Restricted	Total
Due within one year	\$ 55,524	\$ 1,270,100	\$ 1,325,624
Due in one to five years	-	830,000	830,000
	55,524	2,100,100	2,155,624
Unamortized discount	-	(2,273)	(2,273)
	<u>\$ 55,524</u>	<u>\$ 2,097,827</u>	<u>\$ 2,153,351</u>

Discount rates ranged from 0.50% to 3.04% for 2015 and 2014, respectively.

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Note 5: Conditional Gifts

The Organization has received the following conditional promises to give at June 30 that are not recognized in the financial statements:

	<u>2015</u>	<u>2014</u>
Conditional promise to give upon approval of satisfactory progress of the related project	\$ 61,000	\$ -

Note 6: Fixed Assets, Net

Property and equipment at June 30, 2015 and 2014 consists of:

	<u>2015</u>	<u>2014</u>
Land	\$ 1,260,730	\$ 1,260,730
Buildings	4,120,471	4,120,471
Software	6,217,336	6,217,336
Furniture and equipment	1,001,402	1,023,330
Enterprise platform	508,812	4,865,070
Artwork	30,000	30,000
	<u>13,138,751</u>	<u>17,516,937</u>
Less accumulated depreciation and amortization	<u>10,430,080</u>	<u>13,158,340</u>
	<u>\$ 2,708,671</u>	<u>\$ 4,358,597</u>

Note 7: Line of Credit

The Organization has a \$1,000,000 revolving bank line of credit expiring in September 2015. At June 30, 2015 and 2014, no amounts were borrowed against this line. The line is collateralized by substantially all of the Organization's assets. Interest varies with the bank's prime rate, which was 3.25% on June 30, 2015, plus 0.50%, and is payable monthly.

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Note 8: Capital Lease Obligations

Long-term debt at June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Capital lease obligations (A)	\$ 227,119	\$ 306,281
Less current maturities	<u>79,201</u>	<u>79,162</u>
	<u>\$ 147,918</u>	<u>\$ 227,119</u>

(A) Capital leases include office equipment with lease terms up to four years, expiring 2019 with interest rates ranging from 1.3% - 1.65%.

Aggregate annual maturities on capital lease obligations at June 30, 2015 are:

	<u>Capital Lease Obligations</u>
2016	\$ 79,395
2017	79,395
2018	73,100
2019	<u>1,932</u>
	233,822
Less amount representing interest	<u>6,703</u>
Present value of future minimum lease payments	<u>\$ 227,119</u>

Property and equipment includes the following under capital leases at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 320,423	\$ 320,423
Less accumulated depreciation	<u>(98,335)</u>	<u>(20,190)</u>
	<u>\$ 222,088</u>	<u>\$ 300,233</u>

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Note 9: Board-designated and Temporarily Restricted Net Assets

Board-designated net assets established by the Board of Directors consist of the following at June 30, 2015 and 2014:

	2015	2014
Headquarters Development	\$ 1,121,673	\$ 1,141,987
Colgate-Hook Memorial	191,913	183,788
Leadership Conference Scholarship Fund	7,954	7,954
Total Board-designated net assets	\$ 1,321,540	\$ 1,333,729

Temporarily restricted funding and grants have been donor restricted for specific purposes or specified time frames. Restrictions are for the development of various types of curriculum: after school, online programs, ethics curriculum and personal financial literacy programs. Grants provide leadership, marketing and awareness and scholarship awards.

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Temporarily restricted net assets consist of the following at June 30, 2015 and 2014:

	2015	2014
Accenture Work Readiness	\$ -	\$ 2,920
AICPA Finance Career Cluster	50,000	-
AIG Partnership	29,479	-
Allstate Foundation - Economics for Success	500	10,737
Ally Financial	-	13,000
American Honda PF	1,496,473	-
Anonymous	387,978	-
AT&T - Job Mentoring (13-14)	-	91,506
Capital One (15-16)	740,667	-
Capital One - Finance Park	185,086	906,822
Capital One - Paperless Initiative FP	124,921	442,001
Cisco Foundation	20,000	-
Citi - Digital Strategy	-	102,559
Citi/One Main Financial	70,094	-
E*Trade Vol Partnership	23,500	-
Emerson - Company Program	107,957	194,280
Emerson - It's My Future	288,434	-
Ernst & Young	-	1,258
Fidelity FP Virtual	23,441	-
Fidelity Investments	-	5,000
Flemke Memorial Fund	135,644	128,768
Hall Of Fame	-	727,768
Hartford - COY	375,000	-
Hartford - COY Scholarship	140,000	-
Heritage Campaign	40,663	51,864
HSBC - Global Marketplace	1,645,925	-
HSBC - Volunteer Alliance	-	12,330
Jim Hayes Endowment	21,927	22,324
KPMG JA Finance Park	681,672	1,029,503
Manpower	237,532	-
Manpower Group FP & BT	37,500	45,000
Marsh & McLennan	9,750	-

Junior Achievement USA

Notes to Financial Statements

June 30, 2015 and 2014

	2015 (continued)	2014 (continued)
Mass Mutual - Vol Alliance	29,984	23,879
Microsoft - Career Cluster	25,000	-
Microsoft - Job Shadow	60,600	42,821
Microsoft Software	705,318	2,090,437
PMI Educational Foundation	23,438	-
PwC Mobile App	34,763	71,944
S B Colgate	154,958	197,991
Sam's Club	-	60,941
Share the American Dream	435,999	50,291
T. Rowe Price	27,377	39,377
Taco Bell	7,542	-
The Hartford Company Program	714,702	1,363,343
UPS Be Entrepreneurial	28,493	5,913
USA COY	49,990	56,842
Voya Foundation	100,000	-
For periods after June 30		
El Pomar	116,780	59,475
Michael Deniszczuk	-	5,000
Stella and Charles Guttman	-	1,000
	<hr/>	<hr/>
Total temporarily restricted	<u>\$ 9,389,087</u>	<u>\$ 7,856,894</u>

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Note 10: Net Assets Released from Restrictions

Net assets were released from temporary restrictions by incurring expenses satisfying restricted purposes for the years ended June 30, 2015 and 2014 as follows:

	<u>2015</u>	<u>2014</u>
Accenture Work Readiness	\$ 2,920	\$ 223,500
AIG - Partnership	47,521	25,000
Allstate Foundation - Economics for Success	10,737	189,259
Allstate Foundation - Teen Survey	149,500	13,674
Ally Financial	13,000	-
American Honda - PF	273,235	-
Anonymous	262,022	-
AT&T - Job Mentoring	157,405	29,569
AT&T - Job Mentoring (12-13)	-	50,319
AT&T - Job Mentoring (13-14)	79,506	104,924
Bank of America	2,600	-
Bechtel - Build Future Leaders	-	8,385
Biztown Mobile Unit	-	37,000
Capital One (15 - 16)	75,333	-
Capital One - Finance Park	721,736	684,489
Capital One - Paperless Initiative FP	417,072	454,773
Capital One - Virtual FP	-	267,332
Citi - Digital Strategy	102,559	32,441
Citi - Virtual Volunteer	-	175,647
Citi/One Main Financial	179,906	-
E*Trade Vol Partnership	6,500	-
Emerson - Company Program	86,323	55,720
Ernst & Young	1,258	8,742
FedEx - NFL	-	12,000
Fidelity FP Virtual	15,859	-
Fidelity Investments	5,000	-
Flemke Memorial Fund	16,037	18,453
Goizueta - Hispanic Initiative	-	206,068
Hall Of Fame	14,361	4,626
Hartford Coy	125,000	-
Heritage Campaign	9,917	12,700
HP Responsible Business Competition	-	4,000

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

	2015	2014
	(continued)	(continued)
HSBC - Global Marketplace	93,580	-
HSBC - Volunteer Initiative	2,865	4,350
HSBC - Volunteer Alliance	15,840	12,060
ING - Job Shadow	-	12,850
Jim Hayes Endowment	140	142
KPMG JA Finance Park	349,008	619,434
Manpower	6,070	-
Manpower Group FP & BT	7,500	13,500
Marsh & McLennan	-	9,750
Mass Mutual - Vol Alliance	41,215	55,327
Microsoft - Job Shadow	141,400	24,763
Microsoft - Job Shadow (13-14)	42,821	179,179
Microsoft Software	1,385,119	1,778,296
Mobil Land	-	5,000
PMI Educational Foundation	37,562	-
PwC Mobile App	37,181	157,431
S B Colgate	43,033	56,977
Sam's Club - Giving Program	60,941	130,777
Share the American Dream	278,679	-
Sprint JA in a Day	-	6,600
T. Rowe Price	12,000	63,659
Taco Bell	77,308	-
The Hartford Company Program	648,641	136,657
Travel Industry Association - Destination Travel	-	7,000
UPS - Be Entrepreneurial	32,620	57,138
USA COY	181,852	200,550
Sam's Club - Giving Program	-	10,000
Time restriction release		
Michael Deniszczuk	5,000	5,000
Xerox	-	10,000
Stella and Charles Guttman	1,000	-
El Pomar	30,000	-
	<hr/>	<hr/>
Total restrictions released	<u>\$ 6,306,682</u>	<u>\$ 6,175,061</u>

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Certain restrictions may be modified by the donor. When this occurs, the amount may be reclassified to another category, but will not be shown as released from restrictions.

Note 11: Pension and Postretirement Plan

Multiemployer Pension Plan

The Organization offers a noncontributory defined benefit pension plan (the Plan) to its employees. The Plan is administered by the Organization and covers all full-time employees of the Organization, JA Worldwide, Inc. and participating Junior Achievement chapters in the United States. The Plan is accounted for like a multiemployer plan. Benefits are determined based on years of service and salary history. The Plan's assets are invested in various investment funds. The respective participants' employers are required to fund the Plan, as determined necessary by the Organization's Board of Directors, based on an annual actuarial valuation. The Organization makes contributions equal to 16.75% of participants' eligible compensation. The Plan requires that participating members who withdraw from the Plan, remain liable for any previous funding obligations under the Plan. Accordingly, 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.

Total Plan Information

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

	2015	2014
Benefit obligation	\$(77,147,902)	\$(73,709,786)
Fair value of Plan assets	54,503,578	50,386,905
Underfunded status	\$(22,644,324)	\$(23,322,881)
Accumulated benefit obligation	\$ 70,170,258	\$ 65,944,688

Significant assumptions include:

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

	2015	2014
Discount rate	4.00%	3.75%
Rate of compensation increase	4.00%	4.00%

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

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

	2015	2014
Discount rate	4.00%	4.25%
Expected return on Plan assets	6.25%	6.25%
Rate of compensation increase	4.00%	4.00%

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.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the Plan as of June 30, 2015:

2016	\$ 9,885,934
2017	5,890,992
2018	6,830,462
2019	6,617,682
2020	5,832,692
2021 to 2025	29,101,453

Plan assets are held by Fidelity Investments 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.

The investment objective of the Plan is to construct an investment strategy that:

- Provides a high probability of attaining fully funded status;
- Retains the ability to pay benefits and expense obligations when due;
- Retains a funding cushion for unexpected developments;
- Maximizes the long-term returns that can be achieved within the level of risk that is reasonable and prudent; and
- Provides the Plan Sponsor with the flexibility to reduce future contributions, or increase future benefits, in a way that enables the Plan Sponsor to continue to provide competitive retirement benefits to its employees.

The target asset allocation percentages for 2015 are:

Equity mutual funds	Not to exceed 65%
Corporate debt securities	Not to exceed 48%
Real estate	Not to exceed 6%
Cash and cash equivalents	Not to exceed 2%

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Plan assets are rebalanced quarterly. At June 30, Plan assets by category are as follows:

	2015	2014
Equity mutual funds	55.00%	56.00%
Fixed income mutual funds	40.00%	39.00%
Real estate mutual funds	5.00%	5.00%
	100.00%	100.00%

Information on Organizations’ Participating in the Plan

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

1. Assets contributed to the multiemployer 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, 2015 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 2015 and 2014 is for years ended June 30, 2015 and 2014, respectively. There have been no significant changes that affect the comparability of 2015 and 2014 contributions.

Pension Fund	EIN/Pension Plan Number	Funded Status		Contributions of Organization	
		2015	2014	2015	2014
Retirement Plan for Employees of Junior Achievement USA	13-1635270 PN 333	71%	68%	\$ 1,012,501	\$ 942,042

The Organization was listed in its Plan’s Form 5500 as providing more than 5% of the total contributions for the June 30, 2015 and 2014 plan years.

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

Note 12: 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 multiemployer 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, 2015 and 2014:

	2015	2014
Assets	\$ 5,678,025	\$ 5,743,911
Liabilities	<u>211,796</u>	<u>215,827</u>
Net assets	<u>\$ 5,466,229</u>	<u>\$ 5,528,084</u>
Additions to net assets	\$ 6,889,679	\$ 6,796,856
Deductions from net assets	<u>6,951,534</u>	<u>6,428,489</u>
Change in net assets	(61,855)	368,367
Net assets, beginning of year	<u>5,528,084</u>	<u>5,159,717</u>
Net assets, end of year	<u>\$ 5,466,229</u>	<u>\$ 5,528,084</u>

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

In addition to the summarized financial information presented above, the Benefits Trust also reports in the notes to the June 30, 2015 and 2014 financial statements, claims payable of \$209,609 and \$232,760, respectively, and claims incurred but not reported of \$370,387 and \$294,435, 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 multiemployer 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:

	2015	2014
Benefit obligation	\$ (6,518,453)	\$ (7,126,529)
Fair value of Plan assets	-	-
Underfunded status	<u>\$ (6,518,453)</u>	<u>\$ (7,126,529)</u>
Accumulated benefit obligation	<u>\$ (6,518,453)</u>	<u>\$ (7,126,529)</u>

Weighted-average assumptions used to determine benefit obligations at June 30, 2015 and 2014:

	2015	2014
Discount rate	4.00%	3.75%
Rate of compensation increase	4.00%	4.00%

Weighted-average assumptions used to determine benefit costs at June 30, 2015 and 2014:

	2015	2014
Discount rate	3.75%	4.25%
Rate of compensation increase	4.00%	4.00%

Junior Achievement USA
Notes to Financial Statements
June 30, 2015 and 2014

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2015:

2016	\$ 311,707
2017	313,099
2018	334,012
2019	349,895
2020	374,722
2021 to 2025	1,901,929

The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2015 and 2014 was \$945,933 and \$1,015,182, respectively.

Note 13: 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 \$53,599 and \$400,000 during 2015 and 2014, 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 \$1,197,890 and \$1,171,733 during 2015 and 2014, 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 2015, the net unpaid balance of \$33,743 includes receivables of approximately \$70,000 and payables of approximately \$105,000. For 2014, the net uncollected balance of \$25,326 consists of receivables of approximately \$25,000.

During 2014, oversight of the Middle East North Africa Operating Center (MENA) was transferred from the Organization to JA Worldwide, Inc. As a result, assets of \$1,377,823, liabilities of \$517,236, and net assets of \$860,587 were transferred from the Organization.

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 \$2,734,028 and \$3,591,292 during the years ended June 30, 2015 and 2014, respectively. Contributions receivable from related parties including Board members and corporations controlled by Board members was \$1,415,000 and \$1,225,000 as of June 30, 2015 and 2014, respectively.

Junior Achievement USA

Notes to Financial Statements

June 30, 2015 and 2014

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 and investments on the statements of financial position and total \$622,382 and \$1,114,218, respectively, as of June 30, 2015 and total \$491,430 and \$536,081, respectively, as of June 30, 2014. During the years ended June 30, 2015 and 2014, the Organization passed through to the area offices \$3,011,072 and \$3,299,587, 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 \$486,000 and \$359,000 of these pass-through funds at June 30, 2015 and 2014, 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.

Funds held for affiliates include cash and investments, as described in the preceding paragraph, as well as contributions receivable of \$385,250 and \$105,000 as of June 30, 2015 and 2014, respectively.

Substantially all of the Organization's accounts receivable as of June 30, 2015 and 2014, relate to sales of materials to international members and area offices. These related party sales and cost of sales amounted to \$14,009,199 and \$5,330,887, respectively, for 2015 and \$14,259,030 and \$5,308,444, respectively, for 2014.

The Organization also receives license fee income from area offices. These fees totaled \$4,730,134 and \$4,639,212 for the years ended June 30, 2015 and 2014, respectively. The Organization has accounts receivable of \$840,342 and \$733,638 as of June 30, 2015 and 2014, respectively, from area offices.

Note 14: 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 in-kind contributions) of \$9,097,106 and \$6,324,153 in 2015 and 2014, comprised approximately 30% and 25%, respectively, of the Organization's total support and revenue. Approximately 40% and 50% of the contribution revenue was received from two donors in 2015 and 2014, respectively.

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 \$100,000 and \$60,000 at June 30, 2015 and 2014, respectively. Actual inventory obsolescence may vary from the allowance accrued.

Junior Achievement USA

Notes to Financial Statements

June 30, 2015 and 2014

Note 15: Contingencies

The United States Agency for International Development (USAID) has historically been one of the primary federal awarding agencies for the Organization. Included in various grant agreements awarded by USAID was a provision for a Negotiated Indirect Cost Rate Agreement (NICRA). The provision stipulated that the Organization shall be reimbursed for indirect costs on the basis of the predetermined rate published in the agreement, but pending the establishment of a revised, final rate.

During 2014, the Organization was notified by USAID of the final rates effective retroactively for grant periods from July 2004 through June 2010 and the revised, provisional rate effective retroactively for grant periods from July 2010 to present. The Organization believes that a loss, resulting from the recalculated NICRA based on the revised rates, is probable on all applicable open grants and reasonably possible on all applicable closed grants.

As a result, the Organization recorded a contingency liability that is included in accounts payable in the statements of financial position for all applicable open grants as of June 30, 2015 and 2014 of \$139,618. The Organization estimated the loss for all applicable closed grants of approximately \$151,000. As the Organization believes the likelihood of this loss is only reasonably possible (as these grants are pending formal closure with the awarding agency), the Organization did not record this estimate in the 2015 financial statements. It is reasonably possible that a change in these estimates could occur in the near term.

Supplementary Information

Junior Achievement USA
Statements of Functional Expenses
Years Ended June 30, 2015 and 2014

	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, 2015									
Compensation	\$ 3,461,493	\$ 437,241	\$ 3,479,712	\$ 182,184	\$ 7,560,630	\$ 938,247	\$ 610,316	\$ 1,548,563	\$ 9,109,193
Occupancy	72,163	36,594	70,517	33,760	213,034	389,842	103,846	493,688	706,722
Product development	2,931,134	600,410	3,290,435	189,105	7,011,084	2,240,900	203,288	2,444,188	9,455,272
Program support	1,233,665	259,437	1,073,188	58,507	2,624,797	476,081	242,387	718,468	3,343,265
Office services	508,126	79,658	205,865	15,782	809,431	546,941	113,057	659,998	1,469,429
Depreciation and amortization	76,772	11,808	1,275,645	6,296	1,370,521	263,783	15,622	279,405	1,649,926
Total expenses	<u>\$ 8,283,353</u>	<u>\$ 1,425,148</u>	<u>\$ 9,395,362</u>	<u>\$ 485,634</u>	<u>\$ 19,589,497</u>	<u>\$ 4,855,794</u>	<u>\$ 1,288,516</u>	<u>\$ 6,144,310</u>	<u>\$ 25,733,807</u>

	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, 2014									
Compensation	\$ 3,709,770	\$ 216,012	\$ 3,587,676	\$ 187,836	\$ 7,701,294	\$ 1,033,100	\$ 657,428	\$ 1,690,528	\$ 9,391,822
Occupancy	64,702	32,810	63,226	30,269	191,007	349,534	93,108	442,642	633,649
Product development	3,139,302	586,873	3,055,463	121,101	6,902,739	2,207,759	204,940	2,412,699	9,315,438
Program support	1,574,701	316,162	1,234,500	70,485	3,195,848	580,174	298,236	878,410	4,074,258
Office services	398,587	66,394	163,024	11,566	639,571	436,720	92,014	528,734	1,168,305
Depreciation and amortization	91,344	12,662	1,288,256	6,329	1,398,591	272,640	20,220	292,860	1,691,451
Total expenses	<u>\$ 8,978,406</u>	<u>\$ 1,230,913</u>	<u>\$ 9,392,145</u>	<u>\$ 427,586</u>	<u>\$ 20,029,050</u>	<u>\$ 4,879,927</u>	<u>\$ 1,365,946</u>	<u>\$ 6,245,873</u>	<u>\$ 26,274,923</u>