

Junior Achievement USA

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2020 and 2019

Junior Achievement USA

June 30, 2020 and 2019

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Independent Auditor's Report

Board of Governors
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, 2020 and 2019, and the related consolidated statements of activities, functional expenses 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 Governors
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, 2020 and 2019, 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 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
January 21, 2021

Junior Achievement USA
Consolidated Statements of Financial Position
June 30, 2020 and 2019

Assets

	2020	2019
Current Assets		
Cash and cash equivalents	\$ 9,998,469	\$ 12,745,387
Restricted cash	7,623,579	9,026,822
Investments	11,941,813	11,953,627
Contributions receivable, net	1,604,149	1,488,514
Affiliates accounts receivable, net of allowance; 2020 - \$153,000 and 2019 - \$90,000	867,015	705,441
Inventory	3,138,977	3,282,471
Prepaid expenses	277,461	392,018
Accounts receivable - other	16,560	14,352
Total current assets	35,468,023	39,608,632
Contributions Receivable, Net	2,513,782	1,046,271
Affiliates Accounts Receivable, Net of Current Portion	57,451	90,451
Due from Related Party	2,897,816	-
Fixed Assets, Net	1,348,987	1,384,906
Total assets	\$ 42,286,059	\$ 42,130,260

Junior Achievement USA
Consolidated Statements of Financial Position (continued)
June 30, 2020 and 2019

Liabilities and Net Assets

	<u>2020</u>	<u>2019</u>
Current Liabilities		
Accounts payable - trade	\$ 1,499,173	\$ 3,253,894
Accounts payable - affiliates	109,684	81,373
Accrued liabilities	700,772	589,064
Deferred revenue	188,194	661,887
Current maturities of revolving credit agreement	3,755,000	2,998,000
Current maturities of capital lease obligations	21,447	21,435
Refundable advances	2,320,579	-
Funds held for affiliates	520,426	950,257
	<u>9,115,275</u>	<u>8,555,910</u>
Revolving Credit Agreement, Net of Current Maturities	3,018,722	6,028,822
Capital Lease Obligations, Net of Current Maturities	<u>16,702</u>	<u>34,923</u>
Total liabilities	<u>12,150,699</u>	<u>14,619,655</u>
Net Assets		
Without donor restrictions		
Undesignated	15,849,923	15,911,756
Board-designated	<u>1,576,907</u>	<u>1,541,749</u>
	17,426,830	17,453,505
With donor restrictions - purpose restrictions	<u>12,708,530</u>	<u>10,057,100</u>
Total net assets	<u>30,135,360</u>	<u>27,510,605</u>
Total liabilities and net assets	<u>\$ 42,286,059</u>	<u>\$ 42,130,260</u>

Junior Achievement USA
Consolidated Statement of Activities
Year Ended June 30, 2020

	Undesignated	Board- Designated	Total Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue					
Contributions	\$ 5,941,783	\$ 9,000	\$ 5,950,783	\$ 11,888,050	\$ 17,838,833
Grants	134,471	-	134,471	-	134,471
In-kind contributions	337,114	-	337,114	1,018,723	1,355,837
Materials sales	3,354,624	-	3,354,624	-	3,354,624
Program and support fees	13,032,318	-	13,032,318	-	13,032,318
Investment return, net	242,774	34,566	277,340	619	277,959
Other income	432,334	-	432,334	-	432,334
Net assets released from restrictions - purpose restrictions for educational and other programs	10,255,962	-	10,255,962	(10,255,962)	-
Total support and revenue	<u>33,731,380</u>	<u>43,566</u>	<u>33,774,946</u>	<u>2,651,430</u>	<u>36,426,376</u>
Expenses					
Program services					
Field services	15,364,602	744	15,365,346	-	15,365,346
Communications and marketing	2,462,139	-	2,462,139	-	2,462,139
Research and development	7,347,235	-	7,347,235	-	7,347,235
Human resources	2,065,227	-	2,065,227	-	2,065,227
Total program services	<u>27,239,203</u>	<u>744</u>	<u>27,239,947</u>	<u>-</u>	<u>27,239,947</u>
Support services					
Management and general	4,064,201	7,664	4,071,865	-	4,071,865
Fundraising	2,489,809	-	2,489,809	-	2,489,809
Total support services	<u>6,554,010</u>	<u>7,664</u>	<u>6,561,674</u>	<u>-</u>	<u>6,561,674</u>
Total expenses	<u>33,793,213</u>	<u>8,408</u>	<u>33,801,621</u>	<u>-</u>	<u>33,801,621</u>
Change in Net Assets	(61,833)	35,158	(26,675)	2,651,430	2,624,755
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 15,849,923</u>	<u>\$ 1,576,907</u>	<u>\$ 17,426,830</u>	<u>\$ 12,708,530</u>	<u>\$ 30,135,360</u>

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
Program and support 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 Functional Expenses
Year Ended June 30, 2020

	Program Services					Support Services			Total Expenses
	Field Services	Communications & Marketing	Research & Development	Human Resources	Total Program Services	Management and General	Fundraising	Total Support Services	
Compensation	\$ 6,142,202	\$ 1,562,993	\$ 2,715,315	\$ 1,287,910	\$ 11,708,420	\$ 1,901,389	\$ 1,529,270	\$ 3,430,659	\$ 15,139,079
Occupancy	358,805	81,944	197,312	73,907	711,968	79,627	39,080	118,707	830,675
Product development	4,354,673	495,389	2,215,500	435,924	7,501,486	917,331	431,685	1,349,016	8,850,502
Program support	3,521,751	226,734	1,722,706	184,576	5,655,767	813,500	382,824	1,196,324	6,852,091
Office services	967,462	93,806	486,375	81,836	1,629,479	355,283	104,722	460,005	2,089,484
Depreciation and amortization	20,453	1,273	10,027	1,074	32,827	4,735	2,228	6,963	39,790
Total expenses	<u>\$ 15,365,346</u>	<u>\$ 2,462,139</u>	<u>\$ 7,347,235</u>	<u>\$ 2,065,227</u>	<u>\$ 27,239,947</u>	<u>\$ 4,071,865</u>	<u>\$ 2,489,809</u>	<u>\$ 6,561,674</u>	<u>\$ 33,801,621</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	
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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Activities		
Change in net assets	\$ 2,624,755	\$ 6,851,473
Items not requiring (providing) operating activities cash flows		
Depreciation and amortization	39,790	70,772
Charge-offs of obsolete inventory	166,886	77,591
Bad debt expense	73,000	-
Net realized and unrealized gain on investments	(68,651)	(261,369)
Changes in assets and liabilities		
Contributions receivable	(1,593,146)	(679,273)
Affiliate accounts receivable	(193,782)	121,121
Inventory	(23,392)	(779,752)
Prepaid expenses	114,557	263,783
Accounts payable and accrued liabilities	(1,614,702)	540,984
Deferred revenue	(473,693)	509,261
Refundable advance	2,320,579	-
Funds held for affiliates	(429,831)	(48,288)
	<u>942,370</u>	<u>6,666,303</u>
Net cash provided by operating activities		
Investing Activities		
Purchase of investments	(3,168,983)	(3,361,481)
Proceeds from sale of investments	3,249,448	3,189,575
Purchase of fixed assets	(3,871)	(24,494)
Due from related party	(2,897,816)	-
	<u>(2,821,222)</u>	<u>(196,400)</u>
Net cash used in investing activities		
Financing Activities		
Proceeds from revolving line of credit agreement	-	9,026,822
Principal payments of revolving line of credit agreement	(2,253,100)	-
Repayments of capital lease obligations	(18,209)	(20,784)
	<u>(2,271,309)</u>	<u>9,006,038</u>
Net cash provided by (used in) financing activities		
Increase (Decrease) in Cash and Cash Equivalents	(4,150,161)	15,475,941
Cash and Cash Equivalents, Beginning of Year	<u>21,772,209</u>	<u>6,296,268</u>
Cash and Cash Equivalents, End of Year	<u>\$ 17,622,048</u>	<u>\$ 21,772,209</u>

Junior Achievement USA
Consolidated Statements of Cash Flows (continued)
Years Ended June 30, 2020 and 2019

	2020	2019
Statements of Financial Position Presentation		
Cash and cash equivalents	\$ 9,998,469	\$ 12,745,387
Restricted cash	7,623,579	9,026,822
	\$ 17,622,048	\$ 21,772,209
Supplemental Cash Flows Information		
Interest paid	\$ 346,903	\$ -
Supplemental Disclosure of Noncash Investing/Financing Activities		
Fixed asset acquired through a capital lease agreement	\$ -	\$ 3,858

Junior Achievement USA

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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 Governors. 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, 2020, 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 Governors 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 program & support 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 Equivalents and Restricted Cash

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. The Organization has classified as restricted cash certain accounts that are legally designated for the pension plan termination described in Notes 7 and 9.

At June 30, 2020 and 2019, cash equivalents and restricted cash consisted primarily of money market funds with brokers. At June 30, 2020, the Organization's cash and restricted cash accounts exceeded federally insured limits by approximately \$15,650,000.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

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. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

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 program and support fees.

All area offices pay program and support 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 \$153,000 and \$90,000 at June 30, 2020 and 2019, 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 5-10% of the remaining balance of accounts receivable from affiliates was added to these estimates to arrive at the allowance for doubtful accounts for both 2020 and 2019.

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.

Junior Achievement USA

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

Due from Related Party

Amounts reported as due from related party at June 30, 2020 relate to funds advanced to the pension plan (described in Note 9) and expenses paid directly by the Organization on behalf of the other participating employers. The receivable is expected to be collected from the Plan. (See Note 9.)

Refundable Advance

During 2020, the Organization received a loan pursuant to the Paycheck Protection Program established by the U.S. federal government's *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act). While the loan stipulates an interest rate and maturity date, the Organization anticipates that the loan will be substantially forgiven in future years, and thus has elected to account for the loan as a refundable advance as permitted by ASC 958-605. Under this election, loan proceeds are deemed a refundable advance until such time as the related conditions are met, which include meeting certain employee count and salary reduction requirements as well as incurring eligible expenditures. Utilization of the proceeds are subject to review and acceptance by the U.S. Department of Treasury, Small Business Administration, and/or lender; as a result, future adjustments may be required upon the recognition of revenue.

Net Assets

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

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 either temporary in nature, such as those that will be met by certain programs and events specified by the donor, or for amounts to be maintained in perpetuity. At June 30, 2020 and 2019, the Organization reported a contribution receivable of \$1,201,514 and \$0, respectively, which resulted in net assets to be maintained in perpetuity.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

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

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

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.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Junior Achievement USA

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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, 2020 and 2019, \$1,355,837 and \$890,014, respectively, was received as in-kind contributions.

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.

Materials Sales and Program & Support Fees

Prior to 2020, the Organization charged a market price for the sale of educational textbooks and products (educational materials) and assessed a license fee to area offices (more fully described above) to defray certain administrative costs. Beginning in 2020, the Organization sold educational materials at cost and assessed a fully-burdened program and support fee to area offices.

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.

Subsequent Events

Subsequent events have been evaluated through January 21, 2021, which is the date the consolidated financial statements were available to be issued.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Note 2: Liquidity and Availability

The Organization receives significant contributions each year from donors, which together with program & support fees, are available to meet annual cash needs for general expenditures. During the years ended June 30, 2020 and 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, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statements 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.

	2020	2019
Financial Assets		
Cash and cash equivalents	\$ 9,998,469	\$ 12,745,387
Investments	11,941,813	11,953,627
Receivables	2,487,724	2,208,307
	24,428,006	26,907,321
Donor, Legal or Other Restrictions and Designations		
Funds held for affiliates	520,426	950,257
Board-designated	1,576,907	1,541,749
Donor imposed restrictions	12,708,530	10,057,100
	14,805,863	12,549,106
Financial assets available to meet cash needs for general expenditures within one year	\$ 9,622,143	\$ 14,358,215

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

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Notes to Consolidated Financial Statements
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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

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, 2020 and 2019:

	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, 2020				
Equity securities				
Domestic mutual funds				
Small-cap funds	\$ 453,665	\$ 453,665	\$ -	\$ -
Mid-cap funds	1,192,306	1,192,306	-	-
Large-cap funds	2,998,083	2,998,083	-	-
International mutual funds				
Emerging markets	462,845	462,845	-	-
Large-cap funds	509,024	509,024	-	-
Real asset mutual funds	430,156	430,156	-	-
Alternative strategy mutual funds	424,448	424,448	-	-
Fixed income securities				
Corporate bonds	2,022,618	-	2,022,618	-
Government obligations	1,575,071	-	1,575,071	-
International bond funds	562,727	562,727	-	-
Domestic bond funds	1,310,870	1,310,870	-	-
Total	<u>\$ 11,941,813</u>	<u>\$ 8,344,124</u>	<u>\$ 3,597,689</u>	<u>\$ -</u>

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Notes to Consolidated Financial Statements
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	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	-	-
Total	<u>\$ 11,953,627</u>	<u>\$ 8,547,140</u>	<u>\$ 3,406,487</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 years ended June 30, 2020 and 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.

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Notes to Consolidated Financial Statements
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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:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 240,593 *	\$ 1,383,556	\$ 1,624,149
Due in one to five years	-	2,534,737	2,534,737
	240,593	3,918,293	4,158,886
Allowance for uncollectible contributions receivable	-	(20,000)	(20,000)
Unamortized discount	-	(20,955)	(20,955)
	<u>\$ 240,593</u>	<u>\$ 3,877,338</u>	<u>\$ 4,117,931</u>
	2019		
	Without Donor Restrictions	With Donor Restrictions	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 amounts reported as without donor restrictions is approximately \$160,000 and \$275,000 of contributions receivable, at June 30, 2020 and 2019, respectively, that are held for affiliates.

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Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Note 5: Conditional Gifts

The Organization has received the following conditional promises to give at June 30, 2020 and 2019, that are not recognized in the financial statements:

	<u>2020</u>	<u>2019</u>
Conditional promise to give upon approval of satisfactory progress of the related project	\$ 1,260,000	\$ 3,018,620

Note 6: Fixed Assets, Net

Property and equipment consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,260,730	\$ 1,260,730
Buildings	4,120,471	4,120,471
Software	5,796,224	5,796,224
Furniture and equipment	404,920	401,049
Artwork	30,000	30,000
	11,612,345	11,608,474
Less accumulated depreciation and amortization	10,263,358	10,223,568
	<u>\$ 1,348,987</u>	<u>\$ 1,384,906</u>

Note 7: Revolving Credit Agreement

	<u>2020</u>	<u>2019</u>
Revolving credit agreement (A)	\$ 6,773,722	\$ 9,026,822
Less current maturities	3,755,000	2,998,000
	<u>\$ 3,018,722</u>	<u>\$ 6,028,822</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 9. The Organization is required to meet certain financial and non-financial covenants.

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Notes to Consolidated Financial Statements
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Aggregate annual maturities on revolving credit agreement at June 30, 2020, are:

2021	\$ 3,755,000
2022	<u>3,018,722</u>
	<u><u>\$ 6,773,722</u></u>

Note 8: Net Assets

Board-designated Net Assets

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

	<u>2020</u>	<u>2019</u>
Headquarters Development	\$ 1,338,228	\$ 1,311,325
Colgate-Hook Memorial	230,725	222,470
Leadership Conference Scholarship Fund	<u>7,954</u>	<u>7,954</u>
	<u><u>\$ 1,576,907</u></u>	<u><u>\$ 1,541,749</u></u>

Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for a Specific Purpose		
Educational and other programs	\$ 8,831,192	\$ 7,906,064
Promises to give, the proceeds from which have been restricted by donors for educations and other programs	2,675,824	2,151,036
Promises to give, the proceeds from which have been restricted by donors to be maintained in perpetuity for educational programs	<u>1,201,514</u>	<u>-</u>
	<u><u>\$ 12,708,530</u></u>	<u><u>\$ 10,057,100</u></u>

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Notes to Consolidated Financial Statements

June 30, 2020 and 2019

Note 9: 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 was 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. Benefits were determined based on years of service and salary history. Plan's assets were invested in a variety of investment funds until 2019, when a substantial portion of the portfolio was placed into fixed income mutual funds, and 2020, when Plan assets were converted to cash and cash equivalents. Prior to June 30, 2019, in accordance with the plan documents, the Organization, JA Worldwide, Inc. and participating Junior Achievement Areas made contributions to the plan equal to 16.75% of 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.

Effective June 30, 2019, the Board of Governors of the Organization approved the termination of the Plan, at which time all participants who were active in the plan became fully vested for their respective accrued benefits. The Plan required 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. As a result, during 2020, in accordance with the plan documents, the Organization, JA Worldwide, Inc. and participating Junior Achievement Areas continued to make contributions equal to 13.25% of participants' eligible compensation.

During 2020, Plan participants elected the mode of their distribution (whether lump sum or annuity) and the Plan liquidated and distributed benefit payments accordingly. The Plan engaged an insurance company to assume the annuity portfolio, and as of June 30, 2020, substantially all benefit obligations of the Plan had either been paid (lump sum elections) or transferred (annuity elections). The remaining assets in the Plan, as detailed below, are restricted for additional, future termination and other required administrative expenses. Upon the conclusion of any necessary administrative proceedings and the final review by the Pension Benefit Guarantee Corporation (PBGC), any remaining Plan assets will first be used to pay any final administrative costs, next will be used to repay advances from the Organization that were necessary to fully fund the plan (\$2,897,816 at June 30, 2020 and are reported as due from related party on the statement of financial position), and lastly, will be distributed to participating employers on a pro-rata basis. The timing and results of these administrative proceedings and PBGC's final review are uncertain, and as a result, the Organization cannot reasonably estimate, and thus has not recorded, any pro-rata amounts receivable from the Plan at June 30, 2020.

To facilitate the termination and funding of the Plan, the Organization obtained a \$12,000,000 revolving credit agreement, described in Note 7. Under the plan of termination any amounts borrowed under the line would be used to pre-fund the plan on behalf of the Organization, JA Worldwide, Inc. and participating Junior Achievement Areas. As a result, the Organization has recorded a receivable for funds advanced to the Plan and expenses paid directly by the Organization on behalf of the other participating employers. The receivable is expected to be collected from the Plan rather than from participating employers, given the over funded status of the Plan, described below.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

During the years ended June 30, 2020 and 2019, the Organization contributed approximately \$980,000 and \$1,200,000, respectively, to the plan. The Organization was listed in its plan's Form 5500 as providing more than 5% of the total contributions for the June 30, 2020 and 2019, plan years.

To coincide with the termination of the Plan, the Organization implemented a Defined Contribution 401(k) plan for eligible employees on July 1, 2019. See Note 11.

Plan Information

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

	<u>2020</u>	<u>2019</u>
Benefit obligation	\$ -	\$ (62,262,457)
Fair value of plan assets	<u>5,479,154</u>	<u>67,171,000</u>
Over/(under) funded status	<u>\$ 5,479,154</u>	<u>\$ 4,908,543</u>
Accumulated benefit obligation	<u>\$ -</u>	<u>\$ 62,262,457</u>

At June 30, 2019, Plan participant's benefits were frozen. Significant assumptions included:

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

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

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

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

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Note 10: 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 Areas in the United States 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Assets	\$ 7,396,305	\$ 6,895,937
Liabilities	<u>423,603</u>	<u>352,778</u>
Net assets	<u>\$ 6,972,702</u>	<u>\$ 6,543,159</u>
Additions to net assets	\$ 9,423,270	\$ 8,257,549
Deductions from net assets	<u>8,993,727</u>	<u>7,974,479</u>
Change in net assets	429,543	283,070
Net assets, beginning of year	<u>6,543,159</u>	<u>6,260,089</u>
Net assets, end of year	<u>\$ 6,972,702</u>	<u>\$ 6,543,159</u>

In addition to the summarized financial information presented above, the Benefits Trust also reports in the notes to the April 30, 2020 and 2019, audited financial statements, claims payable of \$238,990 and \$258,319, respectively, and claims incurred but not reported of \$567,531 and \$570,361, 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.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Total Postretirement Plan Information

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

	<u>2020</u>	<u>2019</u>
Benefit obligation	\$ (8,542,169)	\$ (7,467,134)
Fair value of plan assets	<u>-</u>	<u>-</u>
Underfunded status	<u>\$ (8,542,169)</u>	<u>\$ (7,467,134)</u>
Accumulated benefit obligation	<u>\$ (8,542,169)</u>	<u>\$ (7,467,134)</u>

Weighted-average assumptions used to determine benefit obligations at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Discount rate	2.75%	3.50%
Rate of compensation increase	2.50%	3.00%

Weighted-average assumptions used to determine benefit costs at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Discount rate	3.50%	4.00%
Rate of compensation increase	3.00%	4.00%

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2020:

2021	\$ 291,506
2022	\$ 319,253
2023	\$ 334,552
2024	\$ 314,778
2025	\$ 318,381
2026 to 2030	\$ 2,019,935

The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2020 and 2019, was \$1,077,476 and \$1,053,657, respectively.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Note 11: Profit-sharing Plan

Starting on July 1, 2019, the Organization had a 401(k) profit-sharing plan covering substantially all employees. The Organization's contributions to the plan are determined annually by the Board of Governors. Contributions to the plan were \$266,603 for the year ended June 30, 2020.

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 \$3,465 and \$3,073 during 2020 and 2019, respectively. Through a program & support fee agreement between JA Worldwide, Inc. and the Organization, JA Worldwide, Inc. assessed a program & support 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 program & support fees the Organization collects from each local area office. As a result, the Organization recorded an expense of \$1,352,515 and \$1,338,376 during 2020 and 2019, 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 in the affiliates accounts receivable or accounts payable – affiliate line items on the statements of financial position. For 2020, the net unpaid balance was \$109,684 and for 2019, the net uncollected balance was \$101,050.

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 \$3,607,158 and \$2,308,218 during the years ended June 30, 2020 and 2019, respectively. Contributions receivable from related parties including board members and corporations controlled by board members was \$1,645,000 and \$1,510,330 as of June 30, 2020 and 2019, respectively.

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 \$360,426 and \$160,000, respectively, as of June 30, 2020 and total \$675,257 and \$275,000, respectively, as of June 30, 2019. During the years ended June 30, 2020 and 2019, the Organization passed through to the area offices \$6,180,646 and \$4,352,552, 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 \$17,152 and \$52,552 of these pass-through funds at

Junior Achievement USA

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

June 30, 2020 and 2019, 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, 2020 and 2019, relate to sales of materials to area offices. These related party sales and cost of sales amounted to \$3,354,624 and \$3,225,933, respectively, for 2020 and \$13,370,823 and \$4,078,382, respectively, for 2019.

The Organization also receives program & support fee income from area offices. These fees totaled \$13,032,318 and \$4,915,286 for the years ended June 30, 2020 and 2019, respectively. The Organization has accounts receivable of \$924,466 and \$795,892 as of June 30, 2020 and 2019, 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 \$19,081,228 and \$15,982,563 in 2020 and 2019, comprised approximately 55% and 45%, respectively, 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 2020.

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 \$188,000 and \$75,000 at June 30, 2020 and 2019, respectively. Actual inventory obsolescence may vary from the allowance accrued.

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.

COVID-19

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Organization. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Junior Achievement USA
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

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, 2019. 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 Financial Position – Consolidating Information
June 30, 2020

Assets

	Junior Achievement USA	3DE National, LLC	Eliminations	Total
Current Assets				
Cash and cash equivalents	\$ 5,059,858	\$ 4,938,611	\$ -	\$ 9,998,469
Restricted cash	7,623,579	-	-	7,623,579
Investments	11,941,813	-	-	11,941,813
Contributions receivable, net	1,604,149	-	-	1,604,149
Affiliates accounts receivable, net of allowance; \$153,000	867,015	-	-	867,015
Inventory	3,138,977	-	-	3,138,977
Prepaid expenses	212,511	64,950	-	277,461
Accounts receivable - other	16,560	-	-	16,560
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	30,464,462	5,003,561	-	35,468,023
Contributions Receivable, Net	2,513,782	-	-	2,513,782
Affiliates Accounts Receivable, Net of Current Portion and Allowance; \$0	57,451	-	-	57,451
Due from Related Party	2,897,816	-	-	2,897,816
Fixed Assets, Net	1,348,987	-	-	1,348,987
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 37,282,498</u>	<u>\$ 5,003,561</u>	<u>\$ -</u>	<u>\$ 42,286,059</u>

Junior Achievement USA

Schedule of Financial Position – Consolidating Information (continued)

June 30, 2020

Liabilities and Net Assets

	Junior Achievement USA	3DE National, LLC	Eliminations	Total
Current Liabilities				
Accounts payable - trade	\$ 1,426,179	\$ 72,994	\$ -	\$ 1,499,173
Accounts payable - affiliates	109,684	-	-	109,684
Accrued liabilities	367,081	333,691	-	700,772
Deferred revenue	233,698	-	(45,504)	188,194
Current maturities of revolving credit agreement	3,755,000	-	-	3,755,000
Current maturities of capital lease obligations	21,447	-	-	21,447
Refundable advances	1,657,279	663,300	-	2,320,579
Funds held for affiliates	520,426	-	-	520,426
	<u>8,090,794</u>	<u>1,069,985</u>	<u>(45,504)</u>	<u>9,115,275</u>
Total current liabilities	8,090,794	1,069,985	(45,504)	9,115,275
Revolving Credit Agreement, Net of Current Maturities				
	3,018,722	-	-	3,018,722
Capital Lease Obligations, Net of Current Maturities				
	<u>16,702</u>	<u>-</u>	<u>-</u>	<u>16,702</u>
Total liabilities	<u>11,126,218</u>	<u>1,069,985</u>	<u>(45,504)</u>	<u>12,150,699</u>
Net Assets				
Without donor restrictions				
Undesignated	15,708,843	95,576	45,504	15,849,923
Board-designated	<u>1,576,907</u>	<u>-</u>	<u>-</u>	<u>1,576,907</u>
	17,285,750	95,576	45,504	17,426,830
With donor restrictions - purpose restrictions	<u>8,870,530</u>	<u>3,838,000</u>	<u>-</u>	<u>12,708,530</u>
Total net assets	<u>26,156,280</u>	<u>3,933,576</u>	<u>45,504</u>	<u>30,135,360</u>
Total liabilities and net assets	<u>\$ 37,282,498</u>	<u>\$ 5,003,561</u>	<u>\$ -</u>	<u>\$ 42,286,059</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	1,384,906	-	-	1,384,906
	<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
	<u>8,289,160</u>	<u>446,725</u>	<u>(179,975)</u>	<u>8,555,910</u>
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				
	<u>34,923</u>	<u>-</u>	<u>-</u>	<u>34,923</u>
Total liabilities	<u>14,352,905</u>	<u>446,725</u>	<u>(179,975)</u>	<u>14,619,655</u>
Net Assets				
Without donor restrictions				
Undesignated	15,654,245	77,536	179,975	15,911,756
Board-designated	<u>1,541,749</u>	<u>-</u>	<u>-</u>	<u>1,541,749</u>
	17,195,994	77,536	179,975	17,453,505
With donor restrictions - purpose restrictions	<u>7,977,100</u>	<u>2,080,000</u>	<u>-</u>	<u>10,057,100</u>
Total net assets	<u>25,173,094</u>	<u>2,157,536</u>	<u>179,975</u>	<u>27,510,605</u>
Total liabilities and net assets	<u>\$ 39,525,999</u>	<u>\$ 2,604,261</u>	<u>\$ -</u>	<u>\$ 42,130,260</u>

Junior Achievement USA
Schedule of Revenues, Expenses and Changes in Net Assets –
Consolidating Information
Year Ended June 30, 2020

	Junior Achievement USA					3DE National, LLC				
	Undesignated	Board- Designated	Total Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
Support and Revenue										
Contributions	\$ 1,140,908	\$ 9,000	\$ 1,149,908	\$ 8,275,050	\$ 9,424,958	\$ 4,800,875	\$ 3,613,000	\$ 8,413,875	\$ -	\$ 17,838,833
Grants	134,471	-	134,471	-	134,471	-	-	-	-	134,471
In-kind contributions	337,114	-	337,114	1,018,723	1,355,837	-	-	-	-	1,355,837
Materials sales	3,354,624	-	3,354,624	-	3,354,624	-	-	-	-	3,354,624
Program and support fees	13,032,318	-	13,032,318	-	13,032,318	-	-	-	-	13,032,318
Investment return, net	242,774	34,566	277,340	619	277,959	-	-	-	-	277,959
Other income	420,092	-	420,092	-	420,092	12,242	-	12,242	-	432,334
Net assets released from restrictions - purpose restrictions for educational and other programs	8,400,962	-	8,400,962	(8,400,962)	-	1,855,000	(1,855,000)	-	-	-
Total support and revenue	<u>27,063,263</u>	<u>43,566</u>	<u>27,106,829</u>	<u>893,430</u>	<u>28,000,259</u>	<u>6,668,117</u>	<u>1,758,000</u>	<u>8,426,117</u>	<u>-</u>	<u>36,426,376</u>
Expenses										
Program services										
Field services	13,265,699	744	13,266,443	-	13,266,443	2,098,903	-	2,098,903	-	15,365,346
Communications and marketing	1,128,950	-	1,128,950	-	1,128,950	1,333,189	-	1,333,189	-	2,462,139
Research and development	5,893,058	-	5,893,058	-	5,893,058	1,454,177	-	1,454,177	-	7,347,235
Human resources	851,494	-	851,494	-	851,494	1,213,733	-	1,213,733	-	2,065,227
Total program services	<u>21,139,201</u>	<u>744</u>	<u>21,139,945</u>	<u>-</u>	<u>21,139,945</u>	<u>6,100,002</u>	<u>-</u>	<u>6,100,002</u>	<u>-</u>	<u>27,239,947</u>
Support services										
Management and general	3,593,804	7,664	3,601,468	-	3,601,468	335,926	-	335,926	134,471	4,071,865
Fundraising	2,275,660	-	2,275,660	-	2,275,660	214,149	-	214,149	-	2,489,809
Total support services	<u>5,869,464</u>	<u>7,664</u>	<u>5,877,128</u>	<u>-</u>	<u>5,877,128</u>	<u>550,075</u>	<u>-</u>	<u>550,075</u>	<u>134,471</u>	<u>6,561,674</u>
Total expenses	<u>27,008,665</u>	<u>8,408</u>	<u>27,017,073</u>	<u>-</u>	<u>27,017,073</u>	<u>6,650,077</u>	<u>-</u>	<u>6,650,077</u>	<u>134,471</u>	<u>33,801,621</u>
Change in Net Assets	54,598	35,158	89,756	893,430	983,186	18,040	1,758,000	1,776,040	(134,471)	2,624,755
Net Assets, Beginning of Year	<u>15,654,245</u>	<u>1,541,749</u>	<u>17,195,994</u>	<u>7,977,100</u>	<u>25,173,094</u>	<u>77,536</u>	<u>2,080,000</u>	<u>2,157,536</u>	<u>179,975</u>	<u>27,510,605</u>
Net Assets, End of Year	<u>\$ 15,708,843</u>	<u>\$ 1,576,907</u>	<u>\$ 17,285,750</u>	<u>\$ 8,870,530</u>	<u>\$ 26,156,280</u>	<u>\$ 95,576</u>	<u>\$ 3,838,000</u>	<u>\$ 3,933,576</u>	<u>\$ 45,504</u>	<u>\$ 30,135,360</u>

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				
	Undesignated	Board- Designated	Total Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	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
Program and support 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