

# **Junior Achievement USA**

Independent Auditor's Report and Financial Statements

June 30, 2017 and 2016

**Junior Achievement USA**  
**June 30, 2017 and 2016**

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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, 2017 and 2016, 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, 2017 and 2016, 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, 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  
November 13, 2017

**Junior Achievement USA**  
**Statements of Financial Position**  
**June 30, 2017 and 2016**

**Assets**

	<u>2017</u>	<u>2016</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 6,097,050	\$ 6,660,987
Investments	12,072,268	11,200,803
Contributions receivable, net	1,339,859	1,239,149
Affiliates accounts receivable, net of allowance; 2017 - \$52,190 and 2016 - \$48,837	844,512	778,244
Inventory, net	3,570,277	3,539,250
Prepaid expenses	262,628	336,005
Due from related party	-	5,520
Accounts receivable - other	<u>53,207</u>	<u>23,106</u>
Total current assets	24,239,801	23,783,064
<b>Contributions Receivable, Net</b>	404,917	574,132
<b>Affiliates Accounts Receivable, Net of Current Portion and Allowance; 2017 - \$15,810 and 2016 - \$26,163</b>	31,620	48,323
<b>Fixed Assets, Net</b>	<u>1,537,641</u>	<u>1,786,105</u>
Total assets	<u><u>\$ 26,213,979</u></u>	<u><u>\$ 26,191,624</u></u>

**Junior Achievement USA**  
**Statements of Financial Position (continued)**  
**June 30, 2017 and 2016**

**Liabilities and Net Assets**

	<u>2017</u>	<u>2016</u>
<b>Current Liabilities</b>		
Accounts payable - trade	\$ 4,517,527	\$ 4,357,620
Accrued liabilities	269,566	281,684
Deferred revenue	77,974	116,510
Current maturities of capital lease obligations	66,736	73,373
Funds held for affiliates	609,406	947,720
	<hr/>	<hr/>
Total current liabilities	5,541,209	5,776,907
<b>Capital Lease Obligations, Net of Current Maturities</b>	1,920	74,545
	<hr/>	<hr/>
Total liabilities	5,543,129	5,851,452
	<hr/>	<hr/>
<b>Net Assets</b>		
Unrestricted, undesignated	13,588,049	12,291,551
Board-designated	1,409,279	1,339,402
	<hr/>	<hr/>
Total unrestricted net assets	14,997,328	13,630,953
Temporarily restricted	5,673,522	6,709,219
	<hr/>	<hr/>
Total net assets	20,670,850	20,340,172
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 26,213,979</u>	<u>\$ 26,191,624</u>

**Junior Achievement USA**  
**Statement of Activities**  
**Year Ended June 30, 2017**

	<b>Unrestricted - Undesignated</b>	<b>Board- Designated</b>	<b>Total Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Support and Revenue</b>					
Contributions	\$ 1,129,086	\$ 9,000	\$ 1,138,086	\$ 4,389,957	\$ 5,528,043
Grants	1,024,084	-	1,024,084	-	1,024,084
In-kind contributions	114,438	-	114,438	104,051	218,489
Materials sales	14,161,440	-	14,161,440	-	14,161,440
Area license fees	4,841,629	-	4,841,629	-	4,841,629
Investment return	790,203	88,858	879,061	17,996	897,057
Other income	481,228	-	481,228	-	481,228
Net assets released from restrictions	5,547,701	-	5,547,701	(5,547,701)	-
Total support and revenue	<u>28,089,809</u>	<u>97,858</u>	<u>28,187,667</u>	<u>(1,035,697)</u>	<u>27,151,970</u>
<b>Expenses</b>					
Program services					
Field services	7,925,000	1,094	7,926,094	-	7,926,094
Communications and marketing	1,237,182	-	1,237,182	-	1,237,182
Research and development	10,778,462	-	10,778,462	-	10,778,462
Human resources	674,913	-	674,913	-	674,913
Total program services	<u>20,615,557</u>	<u>1,094</u>	<u>20,616,651</u>	<u>-</u>	<u>20,616,651</u>
Support services					
Management and general	4,683,582	26,887	4,710,469	-	4,710,469
Fundraising	1,494,172	-	1,494,172	-	1,494,172
Total support services	<u>6,177,754</u>	<u>26,887</u>	<u>6,204,641</u>	<u>-</u>	<u>6,204,641</u>
Total expenses	<u>26,793,311</u>	<u>27,981</u>	<u>26,821,292</u>	<u>-</u>	<u>26,821,292</u>
<b>Change in Net Assets</b>	1,296,498	69,877	1,366,375	(1,035,697)	330,678
<b>Net Assets, Beginning of Year</b>	<u>12,291,551</u>	<u>1,339,402</u>	<u>13,630,953</u>	<u>6,709,219</u>	<u>20,340,172</u>
<b>Net Assets, End of Year</b>	<u>\$ 13,588,049</u>	<u>\$ 1,409,279</u>	<u>\$ 14,997,328</u>	<u>\$ 5,673,522</u>	<u>\$ 20,670,850</u>

**Junior Achievement USA**  
**Statement of Activities**  
**Year Ended June 30, 2016**

	<b>Unrestricted - Undesignated</b>	<b>Board- Designated</b>	<b>Total Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Support and Revenue</b>					
Contributions	\$ 1,121,896	\$ 9,000	\$ 1,130,896	\$ 2,636,005	\$ 3,766,901
Grants	524,501	-	524,501	-	524,501
In-kind contributions	250,000	-	250,000	-	250,000
Materials sales	14,443,435	-	14,443,435	-	14,443,435
Area license fees	4,800,207	-	4,800,207	-	4,800,207
Investment return	195,030	17,269	212,299	4,193	216,492
Other income	553,906	-	553,906	-	553,906
Net assets released from restrictions	5,320,066	-	5,320,066	(5,320,066)	-
Total support and revenue	<u>27,209,041</u>	<u>26,269</u>	<u>27,235,310</u>	<u>(2,679,868)</u>	<u>24,555,442</u>
<b>Expenses</b>					
Program services					
Field services	8,410,102	1,472	8,411,574	-	8,411,574
Communications and marketing	1,540,587	-	1,540,587	-	1,540,587
Research and development	9,783,651	-	9,783,651	-	9,783,651
Human resources	562,156	-	562,156	-	562,156
Total program services	<u>20,296,496</u>	<u>1,472</u>	<u>20,297,968</u>	<u>-</u>	<u>20,297,968</u>
Support services					
Management and general	4,697,659	6,935	4,704,594	-	4,704,594
Fundraising	1,374,351	-	1,374,351	-	1,374,351
Total support services	<u>6,072,010</u>	<u>6,935</u>	<u>6,078,945</u>	<u>-</u>	<u>6,078,945</u>
Total expenses	<u>26,368,506</u>	<u>8,407</u>	<u>26,376,913</u>	<u>-</u>	<u>26,376,913</u>
<b>Change in Net Assets</b>	840,535	17,862	858,397	(2,679,868)	(1,821,471)
<b>Net Assets, Beginning of Year</b>	<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>
<b>Net Assets, End of Year</b>	<u>\$ 12,291,551</u>	<u>\$ 1,339,402</u>	<u>\$ 13,630,953</u>	<u>\$ 6,709,219</u>	<u>\$ 20,340,172</u>



**Junior Achievement USA**  
**Statements of Cash Flows**  
**Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Operating Activities</b>		
Change in net assets	\$ 330,678	\$ (1,821,471)
Items not requiring (providing) operating activities cash flows		
Depreciation and amortization	248,464	953,473
Bad debt expense	892	-
Net realized and unrealized (gain) loss on investments	(546,931)	205,213
Changes in assets and liabilities		
Contributions receivable	68,505	1,858,294
Affiliate accounts receivable	(80,558)	49,190
Inventory	(31,027)	(1,251,646)
Prepaid expenses	73,377	98,933
Accounts payable and accrued liabilities	147,789	780,342
Deferred revenue	(38,536)	(31,003)
Funds held for affiliates	(338,314)	(687,910)
Due from/to related party	5,520	(39,263)
	<u>(160,141)</u>	<u>114,152</u>
Net cash provided by (used in) operating activities		
<b>Investing Activities</b>		
Purchase of investments	(5,969,290)	(8,610,917)
Purchase of fixed assets	-	(30,907)
Proceeds from sale of investments	5,644,756	8,794,260
	<u>(324,534)</u>	<u>152,436</u>
Net cash provided by (used in) investing activities		
<b>Financing Activities</b>		
Repayments of capital lease obligations	(79,262)	(79,201)
	<u>(79,262)</u>	<u>(79,201)</u>
Net cash used in financing activities		
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(563,937)	187,387
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>6,660,987</u>	<u>6,473,600</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 6,097,050</u></u>	<u><u>\$ 6,660,987</u></u>

# **Junior Achievement USA**

## **Notes to Financial Statements**

### **June 30, 2017 and 2016**

#### **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 12<sup>th</sup> 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, 2017, 109 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 that are not held for investment purposes to be cash equivalents. At June 30, 2017 and 2016, cash equivalents consisted primarily of money market funds with brokers.

At June 30, 2017, the Organization's cash accounts exceeded federally insured limits by approximately \$6,012,000.

# **Junior Achievement USA**

## **Notes to Financial Statements**

### **June 30, 2017 and 2016**

#### ***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 \$68,000 and \$75,000 at June 30, 2017 and 2016, respectively. The allowance is determined by taking into consideration the unique relationship of dependence between area offices and the Organization to deliver the Junior Achievement programs. Area offices having balances over 90 days past due are reviewed by management to determine the appropriate allowance based on past payment history and adherence to their payback plan. An additional 5% of the remaining balance of accounts receivable from affiliates was added to these estimates to arrive at the allowance for doubtful accounts for both 2017 and 2016.

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, 2017 and 2016**

#### ***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 and Grants***

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.

Grant revenues are recognized as services are provided to the resource provider.

#### ***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, 2017 and 2016, \$218,489 and \$250,000, 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.

# **Junior Achievement USA**

## **Notes to Financial Statements**

### **June 30, 2017 and 2016**

#### ***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 109 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 12<sup>th</sup>.

*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.

#### ***Reclassifications***

Certain reclassifications have been made to the 2016 financial statements to conform to the 2017 financial statement presentation. These reclassifications had no effect on the change in net assets.

#### ***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, 2017 and 2016**

**Note 2: Investments and Investment Return**

Investments at June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
<b>Money market mutual funds</b>	\$ -	\$ 108,721
<b>Equity securities</b>		
Domestic equity securities	215,633	-
Domestic mutual funds		
Small-cap funds	459,260	436,922
Mid-cap funds	963,627	541,598
Large-cap funds	2,665,305	2,076,525
International mutual funds		
Emerging Markets	503,238	285,267
Large-cap funds	785,470	725,222
Real asset mutual funds	454,200	216,286
Alternative strategy mutual funds	456,725	862,062
<b>Fixed income securities</b>		
Mortgage backed securities	150,119	388,798
Corporate bonds	2,579,840	2,132,809
Government bonds	1,739,143	1,903,677
International bond funds	603,903	857,472
Domestic bond funds	495,805	665,444
	<u>\$ 12,072,268</u>	<u>\$ 11,200,803</u>

Total investment return is comprised of the following:

	<u>2017</u>	<u>2016</u>
Interest and dividend income	\$ 350,126	\$ 421,705
Net realized and unrealized gains (losses) on investments reported at fair value	<u>546,931</u>	<u>(205,213)</u>
	<u>\$ 897,057</u>	<u>\$ 216,492</u>

# Junior Achievement USA

## Notes to Financial Statements

June 30, 2017 and 2016

### 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, 2017 and 2016**

**Recurring Measurements**

The following tables present 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, 2017 and 2016:

	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)
<b>June 30, 2017</b>				
Equity securities				
Domestic equity securities	\$ 215,633	\$ 215,633	\$ -	\$ -
Domestic mutual funds				
Small-cap funds	459,260	459,260	-	-
Mid-cap funds	963,627	963,627	-	-
Large-cap funds	2,665,305	2,665,305	-	-
International mutual funds				
Emerging markets	503,238	503,238	-	-
Large-cap funds	785,470	785,470	-	-
Real asset mutual funds	454,200	454,200	-	-
Alternative strategy mutual funds	456,725	456,725	-	-
Fixed income securities				
Mortgage-backed securities	150,119	-	150,119	-
Corporate bonds	2,579,840	-	2,579,840	-
Government obligations	1,739,143	-	1,739,143	-
International bond funds	603,903	603,903	-	-
Domestic bond funds	495,805	495,805	-	-
Total	<u>\$ 12,072,268</u>	<u>\$ 7,603,166</u>	<u>\$ 4,469,102</u>	<u>\$ -</u>



**Junior Achievement USA**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

	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)
<b>June 30, 2016</b>				
Money market mutual funds	\$ 108,721	\$ 108,721	\$ -	\$ -
Equity securities				
Domestic mutual funds				
Small-cap funds	436,922	436,922	-	-
Mid-cap funds	541,598	541,598	-	-
Large-cap funds	2,076,525	2,076,525	-	-
International mutual funds				
Emerging markets	285,267	285,267	-	-
Large-cap funds	725,222	725,222	-	-
Real asset mutual funds	216,286	216,286	-	-
Alternative strategy mutual funds	862,062	862,062	-	-
Fixed income securities				
Mortgage-backed securities	388,798	-	388,798	-
Corporate bonds	2,132,809	-	2,132,809	-
Government obligations	1,903,677	-	1,903,677	-
International bond funds	857,472	857,472	-	-
Domestic bond funds	665,444	665,444	-	-
Total	<u>\$ 11,200,803</u>	<u>\$ 6,775,519</u>	<u>\$ 4,425,284</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, 2017. 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, 2017 and 2016**

***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:

	<b>2017</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Due within one year	\$ 56,155	\$ 1,293,704	\$ 1,349,859
Due in one to five years	-	411,760	411,760
	56,155	1,705,464	1,761,619
Allowance for uncollectible contributions receivable	-	(10,000)	(10,000)
Unamortized discount	-	(6,843)	(6,843)
	<u>\$ 56,155</u>	<u>\$ 1,688,621</u>	<u>\$ 1,744,776</u>
	<b>2016</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Due within one year	\$ 30,393	\$ 1,218,756	\$ 1,249,149
Due in one to five years	-	590,000	590,000
	30,393	1,808,756	1,839,149
Allowance for uncollectible contributions receivable	-	(10,000)	(10,000)
Unamortized discount	-	(15,868)	(15,868)
	<u>\$ 30,393</u>	<u>\$ 1,782,888</u>	<u>\$ 1,813,281</u>

Discount rates ranged from 0.50% to 0.75% for 2017 and 2016, respectively.

**Junior Achievement USA**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

**Note 5: Fixed Assets, Net**

Property and equipment at June 30, 2017 and 2016 consists of:

	<u>2017</u>	<u>2016</u>
Land	\$ 1,260,730	\$ 1,260,730
Buildings	4,120,471	4,120,471
Software	5,771,728	5,771,728
Furniture and equipment	726,633	1,032,308
Artwork	30,000	30,000
	<u>11,909,562</u>	<u>12,215,237</u>
Less accumulated depreciation and amortization	<u>10,371,921</u>	<u>10,429,132</u>
	<u>\$ 1,537,641</u>	<u>\$ 1,786,105</u>

**Note 6: Capital Lease Obligations**

Long-term debt at June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Capital lease obligations (A)	\$ 68,656	\$ 147,918
Less current maturities	<u>66,736</u>	<u>73,373</u>
	<u>\$ 1,920</u>	<u>\$ 74,545</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, 2017 are:

	<u>Capital Lease Obligations</u>
2018	\$ 73,100
2019	<u>1,932</u>
	75,032
Less amount representing interest	<u>6,376</u>
Present value of future minimum lease payments	<u>\$ 68,656</u>

**Junior Achievement USA**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

Property and equipment includes the following under capital leases at June 30, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Equipment	\$ 320,423	\$ 320,423
Less accumulated depreciation	(254,626)	(176,480)
	<b>\$ 65,797</b>	<b>\$ 143,943</b>

**Note 7: Board-designated and Temporarily Restricted Net Assets**

Board-designated net assets established by the Board of Directors consist of the following at June 30, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Headquarters Development	\$ 1,193,976	\$ 1,132,005
Colgate-Hook Memorial	207,349	199,443
Leadership Conference Scholarship Fund	7,954	7,954
Total board-designated net assets	<b>\$ 1,409,279</b>	<b>\$ 1,339,402</b>

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, 2017 and 2016**

Temporarily restricted net assets consist of the following at June 30, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
AICPA Finance Career Cluster	\$ -	\$ 5,000
AIG Partnership	19,500	24,018
Ally Financial	13,000	13,000
American Honda PF	338,863	997,342
Amex Volunteer Support	81,259	241,117
AT&T - Job Shadow	46,803	37,826
Bank of America	1,664	1,755
Capital One (15-16)	272,888	700,386
Capital One - Finance Park	268,563	74,696
Capital One - Paperless Initiative FP	-	217,776
Citi Foundation	40,267	236,479
Citi Foundation Job Shadow	250,000	-
Citi/One Main Financial	-	7,179
Coca-Cola Foundation	-	22,220
Delta FP Virtual	155,310	-
Donaldson Foundation	4,850	32,425
E*Trade Vol Partnership	-	27,800
Emerson - Company Program	-	7,256
Emerson - It's My Future	210,569	271,127
Ernst & Young - JA Survey & NSLS	75,000	150,000
Ernst & Young - Launch Lesson/NSLS	107,716	-
Fidelity - JA Titan	503	130,470
Flemke Memorial Fund	177,110	165,337
Hartford - My Business Pathway	15,376	-
Hartford - NSLS	149,649	369,039
Hartford - Student Scholarship	82,000	116,000

# Junior Achievement USA

## Notes to Financial Statements

June 30, 2017 and 2016

	<u>2017</u> <u>(continued)</u>	<u>2016</u> <u>(continued)</u>
Heritage Campaign	40,788	37,971
Hertz Tourism Career Cluster	50,000	-
HSBC - Global Marketplace	539,961	1,218,842
HSBC - More Than Money	886,453	-
HSBC - Volunteer Alliance	16,430	14,424
ICE NYSE	-	2,008
Jackson FND - Our City	900,771	-
Jim Hayes Endowment	23,771	22,129
KPMG JA Finance Park	377,390	516,734
Manpower	182,303	212,892
Manpower Group FP & BT	-	6,000
Marsh & McLennan	-	7,313
Microsoft Software	-	1,823
PMI Educational Foundation	-	34,413
PwC Mobile App	-	1,688
Robert Half - JA My Way	7,527	14,850
S B Colgate	83,924	115,617
Santander Bank	-	8,775
Share the American Dream	55,484	148,437
The Hartford Company Program	142,539	371,795
Trans Union Volunteer	2,168	-
UPS Be Entrepreneurial	13,330	15,525
Voya Foundation	-	30,173
For periods after June 30		
El Pomar	<u>39,793</u>	<u>79,562</u>
Total temporarily restricted	<u>\$ 5,673,522</u>	<u>\$ 6,709,219</u>

**Junior Achievement USA**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

**Note 8: Net Assets Released from Restrictions**

Net assets were released from temporary restrictions by incurring expenses satisfying restricted purposes for the years ended June 30, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
AICPA Finance Career Cluster	\$ 5,000	\$ 45,000
AIG - Partnership	56,518	58,112
Allstate Foundation	-	500
Ally Financial	13,000	13,000
American Honda - PF	658,479	499,131
Amex Volunteer Support	159,858	58,883
Anonymous	-	387,978
AT&T - Job Shadow	171,723	145,670
Bank of America	2,691	845
Capital One (15 - 16)	427,498	574,938
Capital One - Finance Park	74,696	110,389
Capital One - Paperless Initiative FP	373,716	16,106
Capital One - Virtual FP	217,776	171,224
Cisco Foundation	-	20,000
Citi Foundation	196,212	13,521
Citi/One Main Financial	7,179	65,076
Coca-Cola Foundation	22,220	14,780
Delta - FP Virtual	94,690	-
Delta - NSLS	75,000	-
Donaldson Foundation	27,575	17,575
E*Trade Vol Partnership	27,800	15,700
Emerson - Company Program	7,256	100,700
Emerson - It's My Future	64,400	23,099
Ernst & Young	-	78,119
Ernst & Young - JA Survey & NSLS	75,497	-
FedEx - Student Leadership	75,000	75,000
Fidelity - JA Titan	129,967	19,530
Fidelity FP Virtual	-	23,441
Flemke Memorial Fund	19,351	11,138
FSR Foundation	7,000	-
Hartford My Business Pathway	84,624	-
Hartford NSLS	219,390	29,961
Hartford - Student Scholarship	34,000	-

**Junior Achievement USA**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

	<u>2017</u> <u>(continued)</u>	<u>2016</u> <u>(continued)</u>
Heritage Campaign	246	3,136
HSBC - Global Marketplace	683,651	432,808
HSBC - More Than Money	403,363	-
HSBC - Volunteer Initiative	14,424	14,476
HSBC - Volunteer Alliance	5,060	5,890
ICE NYSE	102,008	97,992
Jackson FDN - Our City	109,776	-
Jim Hayes Endowment	143	136
KPMG JA Finance Park	139,485	165,347
Manpower	33,013	27,889
Manpower Group FP & BT	6,000	31,500
Marsh & McLennan	7,313	12,188
Mass Mutual	-	30,228
Microsoft - Job Shadow	31,813	60,600
Microsoft - NSLS	-	25,000
Microsoft Software	1,823	703,495
Microsoft - Career Cluster	-	25,000
PMI Educational Foundation	34,413	50,024
PwC Mobile App	1,688	40,575
Robert Half - JA My Way	7,323	35,150
S B Colgate	31,692	39,341
Santander Bank	42,775	10,725
Share the American Dream	214,870	322,541
T. Rowe Price	-	27,377
Taco Bell	-	7,540
The Hartford Company Program	229,256	342,907
Trans Union Volunteer	1,081	-
UPS - Be Entrepreneurial	48,196	58,968
USA COY	-	49,990
VOYA Foundation	30,173	69,827
Time restriction release		
El Pomar	40,000	40,000
Total restrictions released	<u>\$ 5,547,701</u>	<u>\$ 5,320,066</u>

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.



**Junior Achievement USA**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

**Note 9: Pension and Postretirement Plan**

***Multi-employer 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 multi-employer 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:

	<u>2017</u>	<u>2016</u>
Benefit obligation	\$ (75,095,461)	\$ (81,344,372)
Fair value of Plan assets	<u>59,348,548</u>	<u>55,068,370</u>
Underfunded status	<u>\$ (15,746,913)</u>	<u>\$ (26,276,002)</u>
Accumulated benefit obligation	<u>\$ 68,891,767</u>	<u>\$ 74,857,471</u>

Significant assumptions include:

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

	<u>2017</u>	<u>2016</u>
Discount rate	3.50%	3.25%
Rate of compensation increase	4.00%	4.00%

# Junior Achievement USA

## Notes to Financial Statements

### June 30, 2017 and 2016

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

	2017	2016
Discount rate	3.50%	3.25%
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, 2017:

2018	\$ 10,009,137
2019	7,317,943
2020	5,843,347
2021	5,649,952
2022	5,280,723
2023 to 2027	22,077,787

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 2017 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, 2017 and 2016**

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

	2017	2016
Equity mutual funds	54.30%	50.90%
Fixed income mutual funds	39.70%	42.60%
Real estate mutual funds	4.90%	5.40%
Cash	1.10%	1.10%
	100.00%	100.00%

**Information on Organizations' Participating in the Plan**

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

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

The Organization's participation in this Plan for the annual period ended June 30, 2017 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 2017 and 2016 is for years ended June 30, 2017 and 2016. There have been no significant changes that affect the comparability of 2017 and 2016 contributions.

Pension Fund	EIN/Pension Plan Number	Funded Status		Contributions of Organization	
		2017	2016	2017	2016
Retirement Plan for Employees of Junior Achievement USA	13-1635270 PN 333	79%	68%	\$ 1,090,661	\$ 1,080,832

The Organization was listed in its Plan's Form 5500 as providing more than 5% of the total contributions for the June 30, 2017 and 2016 plan years.

**Junior Achievement USA**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

**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 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, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Assets	\$ 7,229,300	\$ 6,492,137
Liabilities	238,818	226,110
Net assets	<u>\$ 6,990,482</u>	<u>\$ 6,266,027</u>
Additions to net assets	\$ 7,985,521	\$ 7,143,253
Deductions from net assets	<u>7,261,066</u>	<u>6,343,455</u>
Change in net assets	724,455	799,798
Net assets, beginning of year	<u>6,266,027</u>	<u>5,466,229</u>
Net assets, end of year	<u>\$ 6,990,482</u>	<u>\$ 6,266,027</u>

**Junior Achievement USA**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

In addition to the summarized financial information presented above, the Benefits Trust also reports in the notes to the April 30, 2017 and 2016 audited financial statements, claims payable of \$205,143 and \$222,839, respectively, and claims incurred but not reported of \$344,964 and \$298,789, respectively. The obligation for claims incurred but not reported is not recorded in the Benefits Trust's statements of net assets available for benefits.

**Postretirement Benefits Plan**

The Health and Welfare Plan also offers health care benefits to retired personnel of the participating employees. This creates an implicit rate subsidy, which is considered to be a postretirement benefit. Management of the Organization does not believe the implicit rate subsidy amount to be material to the Organization, especially since the Plan is a multi-employer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the financial statements of the Organization.

**Total Postretirement Plan Information**

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

	<u>2017</u>	<u>2016</u>
Benefit obligation	\$ (8,020,413)	\$ (8,237,490)
Fair value of Plan assets	-	-
Underfunded status	<u>\$ (8,020,413)</u>	<u>\$ (8,237,490)</u>
Accumulated benefit obligation	<u>\$ (8,020,413)</u>	<u>\$ (8,237,490)</u>

Weighted-average assumptions used to determine benefit obligations at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Discount rate	3.50%	3.25%
Rate of compensation increase	4.00%	4.00%

Weighted-average assumptions used to determine benefit costs at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Discount rate	3.25%	4.00%
Rate of compensation increase	4.00%	4.00%

**Junior Achievement USA**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2017:

2018	\$ 364,305
2019	384,171
2020	389,692
2021	403,624
2022	426,587
2023 to 2027	2,133,671

The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2017 and 2016 was \$995,774 and \$1,071,263, respectively.

**Note 11: 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 \$8,760 and \$15,817 during 2017 and 2016, 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 \$1,282,971 and \$1,245,707 during 2017 and 2016, 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 2017 and 2016, the net uncollected balance was \$0 and \$5,520, respectively.

***Activity with Board Members and Other Related Parties***

Contributions of cash, in-kind gifts and pledges from related parties, including board members and corporations associated with board members was \$3,371,235 and \$3,322,894 during the years ended June 30, 2017 and 2016, respectively. Contributions receivable from related parties including board members and corporations controlled by board members was \$1,049,417 and \$1,596,000 as of June 30, 2017 and 2016, respectively.

# **Junior Achievement USA**

## **Notes to Financial Statements**

### **June 30, 2017 and 2016**

#### ***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 \$174,263 and \$345,043, respectively, as of June 30, 2017 and total \$267,909 and \$450,502, respectively, as of June 30, 2016. During the years ended June 30, 2017 and 2016, the Organization passed through to the area offices \$3,062,815 and \$3,740,775, 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 \$344,729 and \$660,942 of these pass-through funds at June 30, 2017 and 2016, 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 \$90,100 and \$229,309 as of June 30, 2017 and 2016, respectively.

Substantially all of the Organization's accounts receivable as of June 30, 2017 and 2016, relate to sales of materials to international members and area offices. These related party sales and cost of sales amounted to \$14,161,440 and \$4,822,970, respectively, for 2017 and \$14,443,435 and \$4,894,513, respectively, for 2016.

The Organization also receives license fee income from area offices. These fees totaled \$4,841,629 and \$4,800,207 for the years ended June 30, 2017 and 2016, respectively. The Organization has accounts receivable of \$876,132 and \$826,567 as of June 30, 2017 and 2016, respectively, from area offices.

#### **Note 12: 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 \$6,767,788 and \$4,541,402 in 2017 and 2016, comprised approximately 25% and 20%, respectively, of the Organization's total support and revenue. Approximately 60% and 20% of contribution revenue was received from four donors in 2017 and one donor in 2016, 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 \$75,000 and \$100,000 at June 30, 2017 and 2016. Actual inventory obsolescence may vary from the allowance accrued.

# Junior Achievement USA

## Notes to Financial Statements

### June 30, 2017 and 2016

#### **Note 13: 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, 2017 and 2016 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 has not recorded any liability related to the closed grants. 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, 2017 and 2016**

	Program Services					Support Services			Total Expenses
	Field Services	Communications & Marketing	Research & Development	Human Resources	Total Program Services	Management and General	Fundraising	Total Support Services	
<b>June 30, 2017</b>									
Compensation	\$ 2,780,156	\$ 377,307	\$ 4,914,918	\$ 297,874	\$ 8,370,255	\$ 794,330	\$ 764,543	\$ 1,558,873	\$ 9,929,128
Occupancy	66,723	32,172	68,638	31,445	198,978	364,001	97,639	461,640	660,618
Product development	3,297,553	478,145	4,231,969	219,837	8,227,504	2,528,124	236,215	2,764,339	10,991,843
Program support	1,311,446	256,921	1,322,950	69,023	2,960,340	575,196	299,102	874,298	3,834,638
Office services	396,366	80,904	150,359	48,924	676,553	399,086	80,962	480,048	1,156,601
Depreciation and amortization	73,850	11,733	89,628	7,810	183,021	49,732	15,711	65,443	248,464
Total expenses	<u>\$ 7,926,094</u>	<u>\$ 1,237,182</u>	<u>\$ 10,778,462</u>	<u>\$ 674,913</u>	<u>\$ 20,616,651</u>	<u>\$ 4,710,469</u>	<u>\$ 1,494,172</u>	<u>\$ 6,204,641</u>	<u>\$ 26,821,292</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	
<b>June 30, 2016</b>									
Compensation	\$ 2,982,706	\$ 477,233	\$ 4,623,195	\$ 198,847	\$ 8,281,981	\$ 994,235	\$ 666,138	\$ 1,660,373	\$ 9,942,354
Occupancy	71,774	34,063	72,080	33,286	211,203	389,261	104,157	493,418	704,621
Product development	2,942,439	622,816	3,579,967	196,163	7,341,385	2,255,870	210,875	2,466,745	9,808,130
Program support	1,294,526	329,309	1,268,030	68,133	2,959,998	529,923	295,243	825,166	3,785,164
Office services	409,129	64,140	153,812	59,159	686,240	414,109	82,822	496,931	1,183,171
Depreciation and amortization	711,000	13,026	86,567	6,568	817,161	121,196	15,116	136,312	953,473
Total expenses	<u>\$ 8,411,574</u>	<u>\$ 1,540,587</u>	<u>\$ 9,783,651</u>	<u>\$ 562,156</u>	<u>\$ 20,297,968</u>	<u>\$ 4,704,594</u>	<u>\$ 1,374,351</u>	<u>\$ 6,078,945</u>	<u>\$ 26,376,913</u>