

JUNIOR ACHIEVEMENT OF
EAST CENTRAL OHIO, INC.

FINANCIAL REPORT
(REVIEW)

JUNE 30, 2019 and 2018

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

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Independent Accountants' Review Report

To the Board of Directors
Junior Achievement of East Central Ohio, Inc.
Canton, Ohio

We have reviewed the accompanying financial statements of Junior Achievement of East Central Ohio, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. These standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The 2019 Revenue Subject to Program and Support Fee is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Report on 2018 Financial Statements and Supplementary Information

The 2018 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated October 17, 2018. We have not performed any auditing procedures since that date.

Meloney + Novotny LLC

Canton, Ohio
December 2, 2019

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash	\$ 89,786	\$ 95,451
Pledges receivable	27,678	43,000
Current investments	-	-
Prepaid assets	13,071	10,617
Total current assets	130,535	149,068
LONG-TERM ASSETS		
Investments	-	-
Land, building, and equipment:		
Land	150,000	150,000
Building	499,926	499,926
Machinery and equipment	9,354	9,354
Furniture and fixtures	34,867	34,867
	694,147	694,147
Less accumulated depreciation	237,002	223,373
Total long-term assets	457,145	470,774
Total assets	\$ 587,680	\$ 619,842
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,889	\$ 12,448
Total current liabilities	3,889	12,448
Total long-term liabilities	-	-
Total liabilities	3,889	12,448
NET ASSETS		
Net assets without donor restrictions	567,669	590,872
Board designated net assets	-	-
Total net assets without donor restrictions	567,669	590,872
Net assets with donor restrictions	16,122	16,522
Total net assets	583,791	607,394
Total liabilities and net assets	\$ 587,680	\$ 619,842

See accompanying notes and independent accountants' review report.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2019 and 1900

	Year Ended June 30, 2019		
	Net assets without donor restrictions	Net assets with donor restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Grants and contributions:			
Corporate	\$ 51,513	\$ -	\$ 51,513
Individuals	9,420	-	9,420
Foundations	63,584	-	63,584
Total grants and contributions	<u>124,517</u>	<u>-</u>	<u>124,517</u>
Special events:			
Special events	154,045	-	154,045
Less expenses	52,242	-	52,242
Net special events	<u>101,803</u>	<u>-</u>	<u>101,803</u>
Governmental revenue	-	-	-
Investment return, net	-	-	-
Unrealized gain or loss on investments	-	-	-
Realized gain or loss	-	-	-
In-kind revenue	13,722	-	13,722
Other income	2,406	-	2,406
Net assets released from restrictions:			
Purpose restrictions	400	(400)	-
Time restrictions	-	-	-
TOTAL PUBLIC SUPPORT AND REVENUES	<u>242,848</u>	<u>(400)</u>	<u>242,448</u>
EXPENSES			
Program expenses:			
High school	93,707	-	93,707
Middle grades	71,695	-	71,695
Elementary	46,684	-	46,684
	<u>212,086</u>	<u>-</u>	<u>212,086</u>
Management and general	34,843	-	34,843
Fundraising	19,122	-	19,122
Losses	-	-	-
	<u>53,965</u>	<u>-</u>	<u>53,965</u>
TOTAL EXPENSES	<u>266,051</u>	<u>-</u>	<u>266,051</u>
CHANGE IN NET ASSETS	(23,203)	(400)	(23,603)
NET ASSETS - BEGINNING OF YEAR	<u>590,872</u>	<u>16,522</u>	<u>607,394</u>
NET ASSETS - END OF YEAR	<u>\$ 567,669</u>	<u>\$ 16,122</u>	<u>\$ 583,791</u>

See accompanying notes and independent accountants' review report.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2019 and 2018

	Year Ended June 30, 2018		
	Net assets without donor restrictions	Net assets with donor restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Grants and contributions:			
Corporate	\$ 38,675	\$ -	\$ 38,675
Individuals	12,657	-	12,657
Foundations	59,373	-	59,373
Total grants and contributions	<u>110,705</u>	<u>-</u>	<u>110,705</u>
Special events:			
Special events	133,827	-	133,827
Less expenses	42,495	-	42,495
Net special events	<u>91,332</u>	<u>-</u>	<u>91,332</u>
Governmental revenue	-	-	-
Investment return, net	-	-	-
Unrealized gain or loss on investments	-	-	-
Realized gain or loss	-	-	-
In-kind revenue	16,700	-	16,700
Other income	102	-	102
Net assets released from restrictions:			
Purpose restrictions	1,000	(1,000)	-
Time restrictions	-	-	-
TOTAL REVENUES AND OTHER SUPPORT	<u>219,839</u>	<u>(1,000)</u>	<u>218,839</u>
EXPENSES			
Program expenses:			
High school	102,144	-	102,144
Middle grades	77,822	-	77,822
Elementary	50,806	-	50,806
	<u>230,772</u>	<u>-</u>	<u>230,772</u>
Management and general	33,409	-	33,409
Fundraising	19,660	-	19,660
Losses	-	-	-
	<u>53,069</u>	<u>-</u>	<u>53,069</u>
TOTAL EXPENSES	<u>283,841</u>	<u>-</u>	<u>283,841</u>
CHANGE IN NET ASSETS	(64,002)	(1,000)	(65,002)
NET ASSETS - BEGINNING OF YEAR	<u>654,874</u>	<u>17,522</u>	<u>672,396</u>
NET ASSETS - END OF YEAR	<u>\$ 590,872</u>	<u>\$ 16,522</u>	<u>\$ 607,394</u>

See accompanying notes and independent accountants' review report.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2019 and 1900

	Year Ended June 30, 2019							
	Program Services				Supporting Services			
	High School	Middle Grades	Elementary	Total	Management and General	Fund-raising	Total	Total
Salaries	\$ 47,873	\$ 35,029	\$ 21,017	\$ 103,919	\$ 3,503	\$ 9,341	\$ 12,844	\$ 116,763
Payroll taxes	3,640	2,663	1,598	7,901	266	710	976	8,877
Employee insurance	2,648	1,938	1,163	5,749	194	517	711	6,460
Pension plan	6,506	4,761	2,856	14,123	476	1,269	1,745	15,868
TOTAL PAYROLL AND RELATED BENEFITS	60,667	44,391	26,634	131,692	4,439	11,837	16,276	147,968
Computer and technology	232	170	102	504	17	45	62	566
Dues and subscriptions	475	348	209	1,032	35	93	128	1,160
Evaluations	182	134	82	398	35	-	35	433
General insurance	3,116	2,280	1,368	6,764	228	608	836	7,600
In-kind donations	4,000	4,000	4,000	12,000	-	1,722	1,722	13,722
Miscellaneous	226	166	99	491	17	39	56	547
National franchise fee - NOTE D	-	-	-	-	28,509	-	28,509	28,509
Office/building maintenance	1,943	1,422	853	4,218	142	379	521	4,739
Outside services	4,389	3,211	1,927	9,527	321	856	1,177	10,704
Postage and delivery	6	5	3	14	1	1	2	16
Program materials	4,768	5,694	5,318	15,780	-	-	-	15,780
Property tax	20	14	9	43	1	4	5	48
Public relations	640	519	346	1,505	52	173	225	1,730
Staff training	1,423	646	427	2,496	117	611	728	3,224
Stationery and supplies	158	115	69	342	12	31	43	385
Telephone	578	423	254	1,255	42	113	155	1,410
Travel	1,463	816	506	2,785	163	708	871	3,656
Utilities	2,200	1,609	966	4,775	161	429	590	5,365
Volunteer recognition	95	70	42	207	4	14	18	225
Volunteer recruiting	706	521	319	1,546	50	84	134	1,680
Volunteer training	1,241	916	561	2,718	89	148	237	2,955
TOTAL EXPENSES BEFORE DEPRECIATION	88,528	67,470	44,094	200,092	34,435	17,895	52,330	252,422
Depreciation	5,179	4,225	2,590	11,994	408	1,227	1,635	13,629
TOTAL EXPENSES	\$ 93,707	\$ 71,695	\$ 46,684	\$ 212,086	\$ 34,843	\$ 19,122	\$ 53,965	\$ 266,051

See accompanying notes and independent accountants' review report.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2019 and 1900

	Year Ended June 30, 2018							
	Program Services				Supporting Services			
	High School	Middle Grades	Elementary	Total	Management and General	Fund-raising	Total	Total
Salaries	\$ 51,051	\$ 37,355	\$ 22,413	\$ 110,819	\$ 3,735	\$ 9,961	\$ 13,696	\$ 124,515
Payroll taxes	4,050	2,964	1,778	8,792	296	790	1,086	9,878
Employee insurance	2,899	2,121	1,273	6,293	212	566	778	7,071
Pension plan	6,551	4,793	2,876	14,220	479	1,278	1,757	15,977
TOTAL PAYROLL AND RELATED BENEFITS	64,551	47,233	28,340	140,124	4,722	12,595	17,317	157,441
Bad debts	451	330	198	979	33	88	121	1,100
Computer and technology	4	3	2	9	-	-	-	9
Dues and subscriptions	437	320	192	949	32	85	117	1,066
Evaluations	319	236	144	699	60	-	60	759
General insurance	2,707	1,980	1,188	5,875	198	528	726	6,601
In-kind donations	5,000	5,000	5,000	15,000	-	1,700	1,700	16,700
Miscellaneous	161	118	71	350	16	31	47	397
National franchise fee - NOTE D	-	-	-	-	27,014	-	27,014	27,014
Office/building maintenance	2,028	1,484	890	4,402	148	396	544	4,946
Outside services	3,629	2,655	1,593	7,877	266	708	974	8,851
Postage and delivery	185	135	81	401	14	36	50	451
Program materials	10,300	9,276	7,496	27,072	-	-	-	27,072
Property tax	20	14	9	43	1	4	5	48
Public relations	356	288	192	836	29	96	125	961
Staff training	880	441	330	1,651	66	484	550	2,201
Stationery and supplies	467	342	205	1,014	34	91	125	1,139
Telephone	677	495	297	1,469	50	132	182	1,651
Travel	1,541	855	543	2,939	157	903	1,060	3,999
Utilities	2,123	1,553	932	4,608	155	414	569	5,177
Volunteer recruiting	323	238	146	707	23	38	61	768
Volunteer training	736	544	333	1,613	53	88	141	1,754
TOTAL EXPENSES BEFORE DEPRECIATION	96,895	73,540	48,182	218,617	33,071	18,417	51,488	270,105
Depreciation	5,249	4,282	2,624	12,155	338	1,243	1,581	13,736
TOTAL EXPENSES	\$ 102,144	\$ 77,822	\$ 50,806	\$ 230,772	\$ 33,409	\$ 19,660	\$ 53,069	\$ 283,841

See accompanying notes and independent accountants' review report.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

STATEMENTS OF CASH FLOWS

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (23,603)	\$ (65,002)
Adjustments to reconcile decrease in net assets to net cash (used) by operating activities:		
Depreciation	13,629	13,736
(Increase) decrease:		
Pledges receivable	15,322	(8,583)
Prepaid assets	(2,454)	3,458
Increase (decrease):		
Accounts payable and accrued liabilities	<u>(8,559)</u>	<u>10,314</u>
Net cash (used) by operating activities	<u>(5,665)</u>	<u>(46,077)</u>
NET (DECREASE) IN CASH	(5,665)	(46,077)
CASH - BEGINNING OF YEAR	<u>95,451</u>	<u>141,528</u>
CASH - END OF YEAR	\$ <u>89,786</u>	\$ <u>95,451</u>

See accompanying notes and independent accountants' review report.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies

- A. Organization – Junior Achievement of East Central Ohio, Inc. (the Organization), an affiliate of Junior Achievement USA (the National Organization) is a FOR IMPACT agency dedicated to educating students in grades K-12 about entrepreneurship, work readiness, and financial literacy through experiential, hands-on programs. The Organization prepares and inspires young people to succeed in a global economy by linking the business and education communities together through effective, professional and current educational programming. The Organization maintains an active vision, front and center, on how to have a positive impact on the lives of students, guided by these core values:
- Belief in the boundless potential of young people
 - Commitment to the principles of market-based economics and entrepreneurship
 - Passion for what they do and honesty, integrity, and excellence in how they do it
 - Respect for the talents, creativity, perspectives, and backgrounds of all individuals
 - Belief in the power of partnership and collaboration, and
 - Conviction in the educational and motivational impact of relevant, hands-on learning.

Junior Achievement's role in the community is to teach students how to get a job, start a business and how money works. Junior Achievement inspires students to have hope for their future and provides project based, authentic learning opportunities to empower students to gain the knowledge and attitude to succeed in life. Junior Achievement is a conduit between the education and business communities and contributes to the vitality of our community through the development of a well-educated workforce prepared to manage personal finances. Junior Achievement programs teach skills not always taught in school such as perseverance, career mapping, job hunting skills, personal brand, money management, teamwork, critical thinking, communications and creativity. Junior Achievement volunteers are trained to provide additional value to help connect the relevancy of staying in school by sharing their own life experiences while teaching Junior Achievement curriculum focused on work readiness, financial literacy and entrepreneurship skill building.

- B. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.
- C. Basis of Presentation – Net assets and support and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed stipulations.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Also included in this category are net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. As of June 30, 2019 and 2018, the Organization had no net assets subject to donor-imposed stipulations that they be maintained permanently.

D. Pledges Receivable – All pledges receivable are considered to be collectible in less than one year, hence they are classified as current assets.

E. Land, Building, and Equipment – Land, building, and equipment are stated at cost if purchased or fair value on the date received, if donated, less accumulated depreciation. Depreciation is computed for financial statement purposes principally on the straight-line method over the estimated useful lives of the related assets.

Expenditures for major renewals and betterments which extend the useful lives of land, building and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

F. Federal Income Taxes – The Organization qualifies under Section 501(c)(3) of the Internal Revenue Code as an organization exempt from federal income taxes.

G. Uncertain Tax Positions – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization determines whether any tax positions meet their recognition threshold and measures the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Any interest or penalties assessed to the Organization would be recorded in operating expenses. No interest or penalties from Federal or state tax authorities were recorded in the accompanying financial statements.

H. Concentration of Credit Risk – The Organization is dependent on local, individual and corporate support.

I. Contributions – Contributions received are recorded as support depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a 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 statement of activities as net assets released from restrictions. The Organization records donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

- J. In-Kind Donations – In-kind donations include donated services and use of facilities for the programs of the Organization.
- K. Functional Expenses – Expenses are charged directly to program or supporting services in general categories based on specific identification. Indirect expenses have been allocated based on the number of programs at each education level. Time and expense associated with the recruitment of volunteers has been allocated in accordance with the National Organization's guidelines.
- L. New Accounting Principle – During the year ended June 30, 2019, the Organization adopted Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources and related to functional allocation of expenses. The accompanying information from 2018 financial statements has been restated to conform to the 2019 presentation and disclosure requirements of ASU 2016-14.
- M. Donated Services – A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising campaigns. The value of these donated services is not reported in the financial statements since these services would not typically be purchased.
- N. Subsequent Events – Management has evaluated subsequent events through December 2, 2019, which is the date the financial statements were available to be issued. As of July 1, 2019, Junior Achievement of East Central Ohio, Inc. merged with Junior Achievement of North Central Ohio.

Note 2. Liquidity and Availability

The table below presents financial assets available for general expenditures within one year at June 30, 2019:

Cash	\$ 89,786
Pledges receivable	<u>27,677</u>
Total financial assets	117,463
Less: donor restricted funds	<u>(16,122)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>101,341</u>

The Organization receives significant amounts of contributions, which are crucial to its annual operations to be available to meet cash needs for general expenditures.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3. Assets Transferred to a Recipient Organization

During the year ended June 30, 1987, the Organization transferred assets to Stark Community Foundation (Foundation) to establish a scholarship endowment fund. These funds are held in a component trust of a pooled income fund managed by the Foundation. The Foundation has variance power over the funds, and the Organization is not designated as the beneficiary of these funds. Therefore, these funds are not included in the Organization's statements of financial position.

In the event of a clear emergency in order to preserve the essential purpose of the Organization, management may access these funds by submitting a request to the Organization's board of directors, which must be approved by at least three-fourths of the board members. The Foundation's board of trustees must approve the request by a two-thirds vote. Management does not intend to request the principal of these funds.

The income from this fund, after the payment of expenses, must either be distributed exclusively for educational scholarships as recommended by the Scholarship Committee of Junior Achievement, or be reinvested in the fund. Distributions and scholarships awarded from the Foundation were \$4,600 and \$3,500 for the years ended June 30, 2019 and 2018, respectively. The value of investments held in trust by the Foundation for the benefit of the Organization's scholarship endowment fund at June 30, 2019 and 2018, was \$96,168 and \$99,615, respectively.

Note 4. Pension Plan

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 other participating Junior Achievement Areas in the United States. The Plan was accounted for like a multi-employer plan. Benefits were determined based on years of service and salary history. The Plan's assets were invested in various investment funds. Prior to June 30, 2019, the respective participants' employers were required to fund the Plan, based on an annual actuarial valuation. Prior to June 30, 2019, contributions equal to 16.75% of plan participants' eligible compensation were made.

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

In connection with the termination of the Plan, a loan was obtained to fund the estimated required contributions to terminate the Plan. At June 30, 2019, proceeds from the loan had been received and restricted for Plan contributions, but were not remitted to the Plan until after year-end. At June 30, 2019, Plan participant's benefits were frozen with vested distributions to Plan participant's being received once the Plan officially liquidates.

JUNIOR ACHIEVEMENT OF EAST CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4. Pension Plan (Continued)

At June 30, 2019, no further investment returns were expected as plan assets are pending liquidation and distribution to plan participants. Plan assets are held by Reliance Trust Company and investment decisions are made in accordance with the provisions of the Plan's investment agreement by the Plan's investment advisor. The investment agreement permits investment in common stocks, corporate bonds, real estate and cash based on certain target allocation percentages.

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

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

The Organization's participation in this Plan for the annual period ended June 30, 2019 and 2018 is as follows:

Pension Fund: Retirement Plan for Employees of Junior Achievement USA
Employer Identification Number: 13-1635270
Plan Number: 333
Funded Status for 2019 and 2018: 108% and 92%
Contributions for 2019 and 2018: \$15,868 and \$15,977, respectively

There have been no significant changes that affect the comparability of 2019 and 2018 contributions.

Note 5. National Franchise Fee

The Organization is an affiliate of Junior Achievement USA, Inc., a national organization which seeks to ensure uniform operating standards of local programs. The National Organization provides professional curriculum development, staff assistance, training manuals, training programs and other supporting services. Participation in the National Organization requires payment of a predetermined calculated fee. National franchise fee expense for 2019 and 2018 was \$28,509 and \$27,014, respectively.

Note 6. Net Assets with Donor Restrictions

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

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Scholarships	\$ 16,122	\$ 16,522

ADDITIONAL INFORMATION

REVENUE SUBJECT TO PROGRAM AND SUPPORT FEE

Revenue from FY 2018-19 | Payments in FY 2020-21

INSTRUCTIONS: Enter values for all fields in **GOLD** - all other fields are auto calculated. Enter positive values for all numbers. Please also submit your detailed trial balance with this spreadsheet. **MUST BE SUBMITTED TO JA USA BY 12/15/19.**

JA Area ID (Enter 6 digits with no dashes): **101403**
 Canton, OH

STEP 1: CALCULATE REVENUE SUBJECT TO PROGRAM & SUPPORT FEE		COMMENTS
Revenue Per Audited Financial Statements		
Total unrestricted revenue	\$ 242,987	
Total permanently restricted revenue	\$ -	
Total pledges (accounts receivable) from prior year-end - Gross (enter as a positive number)	\$ 43,000	
Total pledges (accounts receivable) from current year-end - Gross (enter as a positive number)	\$ 27,677	
Add special event expenses (if net special event expense was presented on financials)	\$ 52,103	
If netted, add program & support fee back in		
Total Adjusted Revenue Per Audited Financial Statements	\$ 310,413	

Adjustments to Revenue Subject to Program & Support Fee	
In-kind	\$ 13,722
In-kind special event (if included in special event revenue)	\$ -
Realized gains	\$ -
Realized losses (enter as a positive number)	\$ -
Unrealized gains	\$ -
Unrealized losses (enter as a positive number)	\$ -
Investment income	\$ -
Interest	\$ 81
Rental income	\$ 1,675
Actual pledges write-offs	\$ -

For the next few rows, please enter information on the ADJUSTMENTS Tab. Totals will auto-populate for the fields below.

Revenue Exempt from Program & Support Fee	
Other income (0% fee payment)	\$ 650
Pass-through income from JA USA (0% fee payment)	\$ -
Capital campaign - construction of buildings or purchase of new buildings (0% fee payment)	\$ -
Capital campaign - major improvements to existing buildings (0% fee payment)	\$ -
Capital campaign - leasehold improvements (0% fee payment)	\$ -
Restricted funds for mortgage principal payments (0% fee payment)	\$ -
Scholarships for higher education (0% fee payment)	\$ -

Total Revenue Subject to Program & Support Fee \$ 294,285

STEP 2: CALCULATE FEES

Revenue Items Subject to 2.5% Program and Support Fee	Revenue	Fees
Capital campaign - furniture/fixtures (2.5% fee payment)	\$ -	-
Capital campaign - technology hardware (2.5% fee payment)	\$ -	-
Gifts from any single source paid to one JA Area during a single fiscal year, as shown through a financial audit, where such gift amount is 25% or more of the JA Area's audited revenue subject to program and support fees during the prior fiscal year (2.5% fee payment)	\$ -	-
Gifts from any single source paid to one JA Area during a single fiscal year, as shown through a financial audit, where such gift amount is valued at \$1,000,000 or higher (2.5% fee payment)	\$ -	-
Gifts of any dollar amount received through an individual's estate or otherwise effective upon the individual's death (2.5% fee payment)	\$ -	-
Proceeds from the sale of a building (2.5% fee payment)	\$ -	-
2.5% Revenue and Fees	\$ -	\$ -

Revenue Items Subject to 5% Program and Support Fee	Revenue	Fees
Ongoing technology hardware for student use (5% fee payment)	\$ -	-
5% Revenue and Fee	\$ -	\$ -

Remaining Revenue Subject to 3-Tier Program and Support Fee	Revenue	Fees
3-Tier Fee: 11.5% fee on first \$1M raised 9.5% fee on next \$1M raised 7.5% fee on revenue raised above \$2M		
11.5% fee on the first \$1M raised		\$ 33,843
9.5% fee on the second \$1M raised		\$ -
7.5% fee on revenue raised above \$2M		\$ -
3-Tier Revenue and Fees	\$ 294,285	\$ 33,843

TOTAL PROGRAM AND SUPPORT FEE DUE FROM JA AREA **\$ 33,843**

Monthly Program and Support Fee (September - June) **\$ 3,384**

JA USA will not retroactively recalculate the program & support fee for any previously unsubmitted exemptions as of 5/31/20.

GENERAL COMMENTS