

JUNIOR ACHIEVEMENT OF  
NORTH CENTRAL OHIO, INC.

FINANCIAL REPORT

JUNE 30, 2021 and 2020

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

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## Independent Auditors' Report

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

We have audited the accompanying financial statements of Junior Achievement of North Central Ohio, Inc. (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' 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 auditors' 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 auditors consider 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of North Central Ohio, Inc. as of June 30, 2021 and 2020, 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.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The audited revenue subject to program and support fee worksheet on pages 22 and 23 is presented for the 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.

*Meloney + Novotny LLC*

Canton, Ohio  
October 29, 2021

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

<b><u>ASSETS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 387,087	\$ 207,013
Current investments	-	-
Pledges receivable - net	203,926	38,017
Other receivable	50,000	-
Prepaid assets	12,608	12,565
Total current assets	653,621	257,595
<b>LONG TERM ASSETS</b>		
Investments	166,337	147,510
Beneficial interest in fund held at Akron Community Foundation	575,813	472,198
Fixed assets - net	434,598	444,403
Total long term assets	1,176,748	1,064,111
Total assets	\$ 1,830,369	\$ 1,321,706
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 31,600	\$ 11,482
Accrued expenses	26,244	29,156
Deferred revenue	7,500	27,720
Current maturity of long-term debt	13,333	3,333
Total current liabilities	78,677	71,691
<b>LONG-TERM LIABILITIES</b>		
Long-term debt	133,334	149,167
Total long-term liabilities	133,334	149,167
Total liabilities	212,011	220,858
<b>NET ASSETS</b>		
Net assets without donor restrictions	656,161	414,952
Board designated net assets	91,521	83,417
Total net assets without donor restrictions	747,682	498,369
Net assets with donor restrictions	870,676	602,479
Total net assets	1,618,358	1,100,848
Total liabilities and net assets	\$ 1,830,369	\$ 1,321,706

The accompanying notes are an integral part of these financial statements.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2021 and 2020

	Year Ended June 30, 2021				
	Net assets without donor restrictions			Net assets with donor restrictions	
	Operating	Board designated	Total		Total
<b>PUBLIC SUPPORT AND REVENUES</b>					
Contributions:					
Corporate	\$ 277,714	\$ -	\$ 277,714	\$ 76,820	\$ 354,534
Individual	26,544	-	26,544	7,406	33,950
Foundations	337,132	-	337,132	170,000	507,132
Total contributions	641,390	-	641,390	254,226	895,616
Special events gross	121,590	-	121,590	-	121,590
Less special event expenses	(38,578)	-	(38,578)	-	(38,578)
Special events net	83,012	-	83,012	-	83,012
Governmental revenue	169,050	-	169,050	-	169,050
Investment return, net	-	3,998	3,998	13,344	17,342
Unrealized gain on investments	-	8,106	8,106	118,953	127,059
Realized gain	-	-	-	767	767
In-kind contributions	25,732	-	25,732	-	25,732
Other income	1,767	-	1,767	-	1,767
Net assets released					
Purpose restrictions	123,093	(4,000)	119,093	(119,093)	-
Time restrictions	-	-	-	-	-
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	1,044,044	8,104	1,052,148	268,197	1,320,345
<b>EXPENSES</b>					
Program expenses:					
High school	204,689	-	204,689	-	204,689
Middle grades	183,202	-	183,202	-	183,202
Elementary	167,783	-	167,783	-	167,783
	555,674	-	555,674	-	555,674
Fund raising expense	144,912	-	144,912	-	144,912
Management and general expense	102,249	-	102,249	-	102,249
Losses	-	-	-	-	-
<b>TOTAL EXPENSES</b>	802,835	-	802,835	-	802,835
<b>CHANGE IN NET ASSETS</b>	241,209	8,104	249,313	268,197	517,510
<b>NET ASSETS, BEGINNING OF YEAR</b>	414,952	83,417	498,369	602,479	1,100,848
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 656,161</u>	<u>\$ 91,521</u>	<u>\$ 747,682</u>	<u>\$ 870,676</u>	<u>\$ 1,618,358</u>

The accompanying notes are an integral part of these financial statements.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2021 and 2020

	Year Ended June 30, 2020				
	Net assets without donor restrictions			Net assets with donor restrictions	
	Operating	Board designated	Total		Total
<b>PUBLIC SUPPORT AND REVENUES</b>					
Contributions:					
Corporate	\$ 229,860	\$ -	\$ 229,860	\$ 4,750	\$ 234,610
Individual	20,134	-	20,134	33,268	53,402
Foundations	236,332	-	236,332	17,050	253,382
Total contributions	486,326	-	486,326	55,068	541,394
Special events gross	47,708	-	47,708	-	47,708
Less special event expenses	(4,580)	-	(4,580)	-	(4,580)
Special events net	43,128	-	43,128	-	43,128
Governmental revenue	-	-	-	-	-
Investment return, net	-	3,519	3,519	5,795	9,314
Unrealized gain on investments	-	987	987	4,607	5,594
Realized loss	-	-	-	(4,480)	(4,480)
In-kind contributions	35,886	-	35,886	-	35,886
Other income	1,602	-	1,602	-	1,602
Net assets released					
Purpose restrictions	114,258	(14,200)	100,058	(100,058)	-
Time restrictions	3,000	-	3,000	(3,000)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	684,200	(9,694)	674,506	(42,068)	632,438
<b>EXPENSES</b>					
Program expenses:					
High school	330,601	-	330,601	-	330,601
Middle grades	242,848	-	242,848	-	242,848
Elementary	145,708	-	145,708	-	145,708
	719,157	-	719,157	-	719,157
Fund raising expense	93,600	-	93,600	-	93,600
Management and general expense	62,637	-	62,637	-	62,637
Losses	-	-	-	-	-
<b>TOTAL EXPENSES</b>	875,394	-	875,394	-	875,394
<b>CHANGE IN NET ASSETS</b>	(191,194)	(9,694)	(200,888)	(42,068)	(242,956)
<b>NET ASSETS, BEGINNING OF YEAR</b>	606,146	93,111	699,257	644,547	1,343,804
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 414,952</u>	<u>\$ 83,417</u>	<u>\$ 498,369</u>	<u>\$ 602,479</u>	<u>\$ 1,100,848</u>

The accompanying notes are an integral part of these financial statements.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2021 and 2020

	Year Ended June 30, 2021						
	Program Services				Supporting Services		
	High School	Middle Grades	Elementary	Total	Management and General	Fund Raising	Total
Salaries	\$ 121,306	\$ 111,754	\$ 106,978	\$ 340,038	\$ 45,370	\$ 92,174	\$ 477,582
Payroll taxes	9,590	8,835	8,457	26,882	3,587	7,287	37,756
Employee insurance	5,872	5,410	5,179	16,461	2,196	4,462	23,119
Pension plan	1,794	1,653	1,582	5,029	671	1,364	7,064
<b>TOTAL PAYROLL AND RELATED BENEFITS</b>	138,562	127,652	122,196	388,410	51,824	105,287	545,521
Professional fees	8,743	8,055	7,711	24,509	3,270	6,643	34,422
Advertising	167	154	147	468	62	126	656
Office expenses	3,190	2,939	2,813	8,942	1,193	2,425	12,560
IT expenses	662	610	584	1,856	248	502	2,606
Occupancy	2,948	2,716	2,600	8,264	1,103	2,240	11,607
Travel	389	359	343	1,091	146	296	1,533
Conferences and meetings	445	410	392	1,247	166	339	1,752
Interest	5	5	5	15	2	5	22
National license fee	28,886	21,240	12,744	62,870	10,764	11,325	84,959
Depreciation	3,311	3,050	2,920	9,281	1,238	2,515	13,034
Insurance	3,779	3,482	3,333	10,594	1,414	2,871	14,879
Program materials	1,514	1,395	1,335	4,244	566	1,151	5,961
Program events	6,073	5,600	5,364	17,037	3,874	7,872	28,783
Scholarships	4,286	3,943	3,771	12,000	-	-	12,000
Miscellaneous	540	497	476	1,513	25,934	410	27,857
Training	312	287	275	874	117	237	1,228
Dues and subscriptions	877	808	774	2,459	328	668	3,455
Cost of direct benefit to donors	-	-	-	-	-	38,578	38,578
Total expenses by function	204,689	183,202	167,783	555,674	102,249	183,490	841,413
Less expenses net against revenues:							
Cost of direct benefit to donors	-	-	-	-	-	(38,578)	(38,578)
<b>TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES</b>	<b>\$ 204,689</b>	<b>\$ 183,202</b>	<b>\$ 167,783</b>	<b>\$ 555,674</b>	<b>\$ 102,249</b>	<b>\$ 144,912</b>	<b>\$ 802,835</b>

The accompanying notes are an integral part of these financial statements.



JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2021 and 2020

	Year Ended June 30, 2020						
	Program Services				Supporting Services		
	High School	Middle Grades	Elementary	Total	Management and General	Fund Raising	Total
Salaries	\$ 187,563	\$ 137,241	\$ 82,345	\$ 407,149	\$ 33,697	\$ 36,598	\$ 477,444
Payroll taxes	17,003	12,441	7,465	36,909	1,244	3,318	41,471
Employee insurance	10,304	7,540	4,524	22,368	754	2,011	25,133
Pension plan	11,327	8,288	4,973	24,588	829	2,210	27,627
<b>TOTAL PAYROLL AND RELATED BENEFITS</b>	226,197	165,510	99,307	491,014	36,524	44,137	571,675
Professional fees	16,848	12,828	7,696	37,372	1,283	3,422	42,077
Advertising	690	505	303	1,498	50	136	1,684
Office expenses	7,414	5,425	3,255	16,094	542	1,447	18,083
IT expenses	1,639	1,199	720	3,558	120	320	3,998
Occupancy	5,018	3,672	2,203	10,893	367	979	12,239
Travel	5,333	3,902	2,341	11,576	390	1,040	13,006
Conferences and meetings	33	24	14	71	2	8	81
Interest	470	344	205	1,019	34	93	1,146
National license fee	33,795	24,850	14,910	73,555	12,530	7,915	94,000
Depreciation	5,392	4,446	2,668	12,506	445	1,185	14,136
Insurance	5,599	4,097	2,458	12,154	410	1,092	13,656
Program materials	8,919	6,348	3,809	19,076	635	1,693	21,404
Program events	-	45	2,927	2,972	488	1,300	4,760
Scholarships	6,667	4,833	-	11,500	-	-	11,500
Miscellaneous	1,592	1,165	699	3,456	8,451	27,860	39,767
Training	2,389	1,748	1,049	5,186	175	466	5,827
Dues and subscriptions	2,606	1,907	1,144	5,657	191	507	6,355
Cost of direct benefit to donors	-	-	-	-	-	4,580	4,580
Total expenses by function	330,601	242,848	145,708	719,157	62,637	98,180	879,974
Less expenses net against revenues:							
Cost of direct benefit to donors	-	-	-	-	-	(4,580)	(4,580)
<b>TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES</b>	<b>\$ 330,601</b>	<b>\$ 242,848</b>	<b>\$ 145,708</b>	<b>\$ 719,157</b>	<b>\$ 62,637</b>	<b>\$ 93,600</b>	<b>\$ 875,394</b>

The accompanying notes are an integral part of these financial statements.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 517,510	\$ (242,956)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	13,034	14,136
Unrealized (gain) on investments and beneficial interest	(127,059)	(5,594)
Realized (gain) loss on investments and beneficial interest	(767)	4,480
Interest and dividends reinvested, net of fees	(17,342)	(9,314)
Forgiveness of long-term debt	(112,500)	-
Loss on disposal of fixed assets	-	270
(Increase) decrease:		
Pledges receivable - net	(165,909)	58,048
Other receivable	(50,000)	-
Inventory	-	242
Prepaid assets	(43)	506
Increase (decrease):		
Accounts payable	20,118	(5,912)
Accrued expenses	(2,912)	25,027
Deferred revenue	(20,220)	27,720
Net cash provided (used) by operating activities	<u>53,910</u>	<u>(133,347)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments / distribution from beneficial interest	23,026	114,258
Purchases of investments / contributions to beneficial interest	(300)	(23,342)
Purchase of fixed assets	(3,229)	-
Net cash provided by investing activities	<u>19,497</u>	<u>90,916</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net payments on line of credit	-	(20,719)
Proceeds from long-term debt	110,000	152,500
Payments on long-term debt	(3,333)	-
Net cash provided by financing activities	<u>106,667</u>	<u>131,781</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	180,074	89,350
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>207,013</u>	<u>117,663</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 387,087</u></u>	<u><u>\$ 207,013</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 22	\$ 1,146
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES</b>		
Forgiveness of PPP loan	\$ 112,500	\$ -

The accompanying notes are an integral part of these financial statements.

# JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Organization and Summary of Significant Accounting Policies

- A. Organization – Junior Achievement of North Central Ohio, Inc. (a not-for-profit organization) (the "Organization") is an affiliate of Junior Achievement USA® (the "National Organization"). The Organization inspires and prepares young people to succeed in the global economy. Volunteer delivered, experiential programs give students knowledge and skills in financial literacy, work readiness and entrepreneurship. The Organization helps to enhance the relevance of students' classroom learning and increase their understanding of the value of staying in school. The Organization maintains its operating center in Canton, which serves Medina, Portage, Summit, Holmes, Coshocton, Ashland, Richland, Knox, Crawford, Morrow, Wayne, Stark, Carroll, Tuscarawas and Marion counties.

The Organization currently supplements current school curriculum with the following sequential economic programs taught by local area business and community volunteers (consultants):

The elementary school program is designed to enhance basic understanding of a free market economy. By learning the principles of economics at an early age, students are better prepared to make decisions about their future because they understand the economic impact of those decisions.

The middle school program develops the desire in young people to value education and stay in school. Students learn critical skills from business consultants who build a bridge between the classroom and the workplace.

The high school program promotes understanding of economic principles for students nearly ready to enter college and the workforce. Many of the activities allow examination of the rewards and responsibilities of business through hands-on experiences in a virtually risk-free setting.

Students participating in the above programs totaled 14,450 and 18,085 for the years ended June 30, 2021 and 2020, respectively.

- 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 income and expenses during the reporting period. Actual results could differ from those estimates.
- C. Basis of Presentation – Net assets and support and revenue 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 asset without donor restrictions: Net assets that represent the operations of the Organization that include revenues and expenditures which are free of donor-imposed restrictions and temporarily restricted contributions of which the restrictions are met during the current fiscal year.

JUNIOR ACHIEVEMENT OF NORTH 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 that represent amounts received that were restricted by the donor, grantor or other outside party for a specific use or period of time. Contributions received with restrictions whose restrictions are met within the same year are classified as net assets without donor restriction in the statements of activities. Certain net assets with donor restrictions represent amounts received for which the principal must be preserved in perpetuity:

- o Richard W. and Ruth C. Niemiec Endowment Fund – income earned is used to support annual student scholarships.

D. Cash and Cash Equivalents – Cash and cash equivalents include demand deposits and cash on hand. The Organization maintains its cash with banks, which at times, may exceed federally insured limits. Management of the Organization believes it is not exposed to any significant credit risk on its cash and cash equivalents. Cash equivalents held in the investment accounts are included in investments on the statements of financial position.

E. Pledges Receivable – Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Pledges are considered impaired if payments are not received in accordance with the pledge terms. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. The pledges receivable have been adjusted for all known uncollectible pledges. The Organization did not record any allowance for uncollectible pledges as of June 30, 2021 and 2020.

F. Investments – Investments in equity securities, with readily determinable fair values, and all investments in debt securities are reported at fair value in the statements of financial position. In addition, gains and losses (realized or unrealized) are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned.

G. Fixed Assets – Fixed assets are recorded at cost if purchased or at fair market value at date of gift if donated. Upon disposal, the cost and accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in current operations. Expenditures for routine maintenance and repairs are charged to expense as incurred.

Depreciation is computed on the straight-line basis using the following lives for each asset classification:

Building	15 – 39 years
Office equipment	5 – 10 years
Furniture and fixtures	5 – 10 years

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

- H. Federal Income Taxes – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The preparation of financial statements in conformity with GAAP requires the Organization to identify potential uncertain tax positions taken, assess and quantify those positions and record reserves. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities.
- I. Support and Revenue Recognition – The Organization's principal support is from charitable contributions. Unconditional contributions are recorded as revenue with or without restriction, depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when the purpose of the 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. Donor-restricted support that was initially a conditional contribution and for which the donor-imposed conditions and restrictions are met in the same period is reported as net assets without donor restrictions. As of June 30, 2021 and 2020, conditional grants totaling \$44,000 and \$0, respectively, had been received from foundations or corporations. These grants are conditioned upon future events, and therefore, will be recognized as revenue when those future events occur.
- J. In-kind Contributions – In-kind contributions include donated services that meet the criteria for recognition as required by GAAP, as well as, donated materials for use in the programs and special events of the Organization.

The Organization received a substantial amount of services donated by its volunteers in carrying out its mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition as required by GAAP. Management of the Organization estimates that volunteers donated a total of 1,013 and 2,449 hours for the years ended June 30, 2021 and 2020, respectively.

- K. Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs that cannot be specifically identified to a function have been allocated among the program and supporting services based on factors such as an estimate of time spent by employees for salaries, payroll taxes, employee insurance and pension plan.
- L. Subsequent Events – The Organization has evaluated subsequent events through October 29, 2021, the date that the Organization's annual financial statements were available to be issued.  
  
See Note 7 for the line of credit approval subsequent to year-end. See Note 17 for the PPP loan forgiveness subsequent to year-end.
- M. Reclassification – Certain information previously presented has been reclassified to conform to the current presentation.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 2. Liquidity and Availability**

The Organization's financial assets available within one year of the statements of financial position date for general expenditures are as follows as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 387,087	\$ 207,013
Pledges receivable - net	<u>203,926</u>	<u>38,017</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 591,013</u>	<u>\$ 245,030</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. The Organization has a beneficial interest in assets held by Akron Community Foundation, valued at \$575,813 as of June 30, 2021. Although withdrawals are not anticipated at this time, these funds would be available if needed.

**Note 3. Endowment Fund**

The Organization restricts net assets in accordance with the fund agreement: (a) the original value of the gifts donated to the endowment, and (b) accumulations to the endowment made in accordance with the directions of the applicable fund agreement. The Organization has adopted investment and spending policies for the endowment fund that provides for the preservation of capital while providing for the long-term growth of principal without undue exposure to risk.

Interpretation of Relevant Law – The State of Ohio has passed a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Directors of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with perpetual restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 3. Endowment Fund (Continued)**

Endowment net asset composition by type of fund as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions In Perpetuity	Subject to Appropriation	Total
Beneficial interest in:				
Fund held at ACF	\$ -	\$ -	\$ 575,813	\$ 575,813
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 575,813</u>	<u>\$ 575,813</u>

Endowment net asset composition by type of fund as of June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions In Perpetuity	Subject to Appropriation	Total
Beneficial interest in:				
Fund held at ACF	\$ -	\$ -	\$ 472,198	\$ 472,198
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,198</u>	<u>\$ 472,198</u>

The following is a reconciliation of the beneficial interest in fund held at Akron Community Foundation (ACF) for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 472,198	\$ 564,037
Unrealized gain	110,568	4,529
Realized gain (loss)	767	(4,480)
Investment return, net	9,306	3,170
Withdrawals	(17,026)	(95,058)
Contributions	-	-
Ending balance	<u>\$ 575,813</u>	<u>\$ 472,198</u>

**Note 4. Beneficial Interest in Assets Held by Akron Community Foundation**

The Organization established a fund ("Fund") at Akron Community Foundation to receive contributions from donors. The Organization records the beneficial interest in the assets held by ACF at fair value. Fair values for the beneficial interest funds are measured using the relative fair market value of the Organization's proportional share of funds in the pool as reported by the trustee as of June 30, 2021 and 2020. The assets of the fund are invested pursuant to ACF governing instrument and investment policies. ACF has been granted variance power if the Organization ceases to exist or is no longer a qualified charitable entity.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 4. Beneficial Interest in Assets Held by Akron Community Foundation (Continued)**

Investment Policies (ACF)

The primary objective for the investments of ACF is the preservation of capital while providing for the long-term growth of principal without undue exposure to risk. The objectives shall be accomplished by utilizing a strategy of equities, fixed income, cash equivalents and alternative investments; in a mix which is conducive to participation in a rising market while allowing for adequate protection in a falling market.

Fund Distributions

Net income of the Fund shall be determined by application of ACF's spending policy, which currently makes available on an annual basis up to 5% of the Fund's 12-quarter average trailing market value as a component of ACF's main asset pool. Distributions shall be made annually or more or less frequently as the parties may from time to time agree. Any net income not distributed shall accumulate in the Fund as undistributed income, shall be reinvested by ACF for the Fund, and together with any interest thereon, shall be available to the Organization as distributable income.

Distributions in excess of the net income of the Fund may be made if requested by the Organization, upon request by the Organization's Board of Directors and with the approval of the Board of Directors of ACF, however such approval shall not be unreasonably withheld.

In the event of any unforeseen contingency by reason of which expenditure of a portion or all of the principal of the Fund is necessary to accomplish or promote the exempt purpose of the Organization, such invasion of principal shall be permitted, upon the request by the Board of Directors of the Organization and with the approval of the Board of Directors of ACF, however such approval shall not be unreasonably withheld.

Fees

ACF shall charge the Fund an annual administration fee of 1.25% of the average market value of the Fund. The fee may be changed in the future if ACF levies the changed fee on all funds administered by it; provided, however, that said fee increases shall not cause the administration fees charged to the Fund by ACF to exceed the amount of fees which would be customarily charged by another community foundation.

**Note 5. Fair Value Measurements**

Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Organization uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.



JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 5. Fair Value Measurements (Continued)**

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

- *Mutual funds and bonds:* Valued based on the closing price reported on the active market on which the individual securities are traded and are classified within Level 1 of the fair value hierarchy.
- *Money market accounts:* Valued using models or other valuation methodologies based on assumptions that are observed in the active market and are classified within Level 2 of the fair value hierarchy.
- *Beneficial interest in fund held at ACF:* This investment pool in which the Organization participates, includes investments in equities, fixed income, cash equivalents and alternative investments. The Organization's separate account is adjusted with its proportion of investment activity from the investment pool throughout the year. The fair value of the beneficial interest is equal to the Organization's proportion of the quoted price obtained for total investments in the investment pool. This interest may not be traded on a national security exchange and is valued based on reports provided by investment managers to ACF. The pool of investments is valued at ACF's best estimate of the fair value of the underlying assets as reviewed by the Organization. Accordingly, the Organization does not use separate quantitative information to value its investment in the ACF pool. The Organization's investment in the ACF pool is considered a Level 3 asset.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. There have been no changes in the methodologies used from 2020 to 2021. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financial assets and liabilities measured at fair value on a recurring basis are as follows for June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 73,303	\$ -	\$ -	\$ 73,303
Bonds	91,749	-	-	91,749
Money market funds	-	1,285	-	1,285
Beneficial interest in fund held at ACF	-	-	575,813	575,813
	<u>\$ 165,052</u>	<u>\$ 1,285</u>	<u>\$ 575,813</u>	<u>\$ 742,150</u>

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 5. Fair Value Measurements (Continued)**

Financial assets and liabilities measured at fair value on a recurring basis are as follows for June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 144,123	\$ -	\$ -	\$ 144,123
Bonds	-	-	-	-
Money market funds	-	3,387	-	3,387
Beneficial interest in fund held at ACF	-	-	472,198	472,198
	<u>\$ 144,123</u>	<u>\$ 3,387</u>	<u>\$ 472,198</u>	<u>\$ 619,708</u>

During the years ended June 30, 2021 and 2020, there were no transfers into or out of Level 3 assets.

**Note 6. Fixed Assets**

Fixed assets, at cost, was comprised of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 150,000	\$ 150,000
Building	499,926	499,926
Office equipment	12,971	13,958
Furniture and fixtures	24,366	37,515
	<u>687,263</u>	<u>701,399</u>
Less: accumulated depreciation	<u>(252,665)</u>	<u>(256,996)</u>
Ending balance	<u>\$ 434,598</u>	<u>\$ 444,403</u>

**Note 7. Line of Credit**

Through June 25, 2021, the Organization had a line of credit with a financial institution with availability up to \$35,000, secured by all assets owned by the Organization. Interest was at a variable rate as defined in the promissory note. The line of credit expired on June 25, 2021.

During September 2021, a \$50,000 revolving line of credit was approved by the financial institution.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 8. Multiemployer 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 Junior Achievement USA® and covered all full-time employees and employees of participating members of the Plan. The Plan is accounted for like a multiemployer plan. Benefits were determined based on years of service and salary history. The Plan's assets are 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 made contributions equal to 16.75% of participants' eligible compensation. The Organization recognized, as net pension cost, the required contribution for the period and recognized, 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. The Organization's policy is to fund pension costs as it is billed by the National Organization.

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

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be borne by the remaining participating employers.
- If the Organization chooses to stop participating in a multiemployer plan, the Organization may 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 year ended June 30, 2021 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number.

Pension Fund: Retirement Plan for Employees of Junior Achievement USA  
Employer Identification Number: 13-1635270  
Plan Number: 333  
Funded Status for 6/30/21: Plan assets of approximately \$5.5 million,  
Benefit obligations of \$0  
Contributions for the year ended 6/30/21: \$0

Effective June 30, 2019, the Board of Directors of Junior Achievement USA® approved the termination of the Plan in which the Organization's employees participate, 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 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).

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 8. Multiemployer Pension Plan (Continued)**

The remaining assets in the Plan of approximately \$5.5 million at June 30, 2021 and 2020 are restricted for additional, future termination and other required administrative expenses. Approximately \$4 million of the Plan's assets are expected to be a return of capital to JA USA for the collateral that JA USA transferred to fund and close the revolving line of credit necessary to terminate the plan.

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 JA USA, described above, 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, 2021.

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

**Note 9. 401(k) Plan**

The Organization participates in a 401(k) multiple employer profit-sharing plan covering substantially all employees offered by Junior Achievement USA®. Eligible employees may contribute a percentage of compensation up to the maximum allowed under the Internal Revenue Code. The Organization can contribute a discretionary amount as determined by the Organization. During the years ended June 30, 2021 and 2020, the Organization contributed \$7,064 and \$2,440, respectively.

**Note 10. 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 Health and Welfare 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 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 Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2021 and 2020 was \$23,119 and \$25,133, respectively. The Organization's policy is to fund insurance premium cost as it is billed by the National Organization.

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 Health and Welfare Plan is a multi-employer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the financial statement of the Organization.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 11. Incentive Plan**

The Organization has an incentive plan for substantially all full-time employees. Incentives are paid annually to employees based on program, revenue and strategic objective goals being met for the fiscal year. Management determined that no incentive plan accrual was necessary at June 30, 2021 and 2020.

**Note 12. National License Fee**

The Organization is supported by the National Organization which seeks to ensure uniform operating standards of local programs. The National Organization provides staff assistance, training manuals, training programs and other supporting services. Participation in the National Organization requires a fee of 11.5% of the Organization's cash-basis public support received up to \$1,000,000 and 9.5% of cash-basis public support on the next \$1,000,000. The Organization has an agreement with the National Organization whereby the Organization pays fees in ten equal installments based on audited revenues from the previous year. National license fee expense was \$84,959 and \$94,000, respectively, for the years ended June 30, 2021 and 2020. The related payable to the National Organization totaled \$-0- and \$6,409 as of June 30, 2021 and 2020, respectively.

**Note 13. Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2021.

	<u>2021</u>	<u>2020</u>
Subject to passage of time:		
Pledges receivable - net	\$ 203,926	\$ 38,017
Subject to expenditure for specified purpose:		
Tuscarawas County scholarships	16,122	16,122
Strategic planning	-	10,000
Richland County	-	2,050
	<u>16,122</u>	<u>28,172</u>
Subject to spending policy or appropriation:		
Richard W. and Ruth C. Niemiec scholarship endowment fund:		
Accumulated earnings	24,815	14,092
Funds restricted in perpetuity	50,000	50,000
Beneficial interest in assets held by community foundation for operations	<u>575,813</u>	<u>472,198</u>
	<u>650,628</u>	<u>536,290</u>
Total net assets with donor restrictions	<u>\$ 870,676</u>	<u>\$ 602,479</u>

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 14. Net Assets without Donor Restrictions**

Net assets without donor restrictions includes the Wooster Brush/Dave Rowekamp Scholarship Fund (Rowekamp Fund). The Rowekamp Fund is a board designated fund to provide scholarships to Wayne County participants in the Organization's program. As of June 30, 2021 and 2020, the balance in the Rowekamp Fund was \$91,521 and \$83,417, respectively.

**Note 15. Assets Transferred to a Recipient Organization**

A. During the year ended June 30, 1987, the Organization transferred assets to Stark Community Foundation (SCF) to establish a scholarship endowment fund. These funds are held in a component trust of a pooled income fund managed by the SCF. SCF has variance power over the fund, 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 SCF, which must be approved by at least three-fourths of the Organization's board members. SCF's board of directors must approve the request by a two-thirds vote. Management does not intend to request the principal of the fund.

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 the Organization, or be reinvested in the fund. Distributions and scholarships awarded from SCF were \$4,500 and \$6,000 for the years ended June 30, 2021 and 2020, respectively. The value of investments held by SCF for the benefit of the Organization's scholarship endowment fund at June 30, 2021 and 2020 was \$107,739 and \$88,637, respectively.

B. During the year ended June 30, 1997, an unrelated foundation established a designated fund at Akron Community Foundation to benefit the Organization. Distributions of income relating to the assets in the fund are made at the discretion of board of Akron Community Foundation. Income distributed to the Organization is recorded as a grant in the statements of activities. Distributions from ACF were \$5,645 and \$5,777 for the years ended June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, the market value of the assets in the designated fund totaled \$190,948 and \$156,587, respectively.

**Note 16. Leases**

The Organization has an operating lease for a copier. Future minimum rental payments required under the operating lease are as follows:

2022	\$ 3,558
2023	2,372

Rent expense was \$3,558 for each of the years ended June 30, 2021 and 2020.

JUNIOR ACHIEVEMENT OF NORTH CENTRAL OHIO, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 17. COVID-19 Global Pandemic and Long-term Debt**

Physical and economic conditions worldwide have been impacted by the ongoing COVID-19 pandemic. There are uncertainties surrounding COVID-19's impact on the economy as a whole and on organizations. There is also uncertainty regarding the positive impact of any federal government relief efforts through the date of this report. Accordingly, the impact of the global pandemic on the operations and financial plans or future results of the Organization is unknown.

During March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. The CARES Act, among other things, created the Paycheck Protection Program (PPP) to be administered by the U.S. Small Business Administration. In April 2020, the Organization received an unsecured loan of \$112,500 under the PPP and recorded the PPP loan as long-term debt on the accompanying statement of financial position as of June 30, 2020. Provisions of the PPP allow for partial or full forgiveness of the loan provided the proceeds are used for covered expenditures and certain other requirements are satisfied. During March 2021, the full \$112,500 was forgiven. The forgiveness is included in governmental revenue for the year ended June 30, 2021.

During March 2021, an additional PPP loan of \$110,000 was received and recorded as long-term debt as of June 30, 2021. The loan was fully forgiven in July 2021.

During May 2020, the Organization also received an unsecured loan from the Achievement Foundation for \$40,000 to assist with operations during the pandemic. The loan bears no interest if all payments are made according to the schedule. If the Organization fails to make any of the required payments by the due date, the loan reverts to a demand note bearing interest at 2%. Scheduled principal payments are as follows for the years ending June 30:

2022	\$ 13,333
2023	13,333
2024	<u>10,001</u>
	<u>\$ 36,667</u>

SUPPLEMENTARY INFORMATION



## AUDITED REVENUE SUBJECT TO PROGRAM AND SUPPORT FEE

Audited Revenue from FY 2020-21 | Payments in FY 2022-23

**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 12/15/21.**

JA Area ID (Enter 6 digits with no dashes): **100103**  
Akron, OH

STEP 1: CALCULATE REVENUE SUBJECT TO PROGRAM & SUPPORT FEE		COMMENTS
<b>Revenue Per Audited Financial Statements</b>		
Total Without Donor Restriction Revenue	\$ 1,052,148	
Total 2020-21 PERMENANTLY "With Donor Restriptions" Contribution	\$ 254,226	
Total pledges (accounts receivable) from prior year-end - Gross (enter as a <b>positive number</b> )	\$ 38,017	
Total pledges (accounts receivable) from current year-end - Gross (enter as a <b>positive number</b> )	\$ 253,926	
Add special event expenses (if net special event expense was presented on financials)	\$ 38,578	
If netted, add program & support fee back in	\$ -	
<b>Total Adjusted Revenue Per Audited Financial Statements</b>	<b>\$ 1,129,043</b>	

<b>Adjustments to Revenue Subject to Program &amp; Support Fee</b>		
In-kind	\$ 25,732	
In-kind special event (if included in special event revenue)	\$ -	
Realized gains	\$ -	
Realized losses (enter as a <b>positive number</b> )	\$ -	
Unrealized gains	\$ 8,106	
Unrealized losses (enter as a <b>positive number</b> )	\$ -	
Investment income	\$ 3,998	
Interest	\$ -	
Rental income	\$ -	
Actual pledges write-offs	\$ -	

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

<b>Revenue Exempt from Program &amp; Support Fee</b>		
Other income (0% fee payment)	\$ 164,267	
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)	\$ -	

<b>Total Revenue Subject to Program &amp; Support Fee</b>	<b>\$ 926,940</b>
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**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)	\$ -	
<b>2.5% Revenue and Fees</b>	<b>\$ -</b>	<b>\$ -</b>

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

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		\$ 106,598
9.5% fee on the second \$1M raised		\$ -
7.5% fee on revenue raised above \$2M		\$ -
<b>3-Tier Revenue and Fees</b>	<b>\$ 926,940</b>	<b>\$ 106,598</b>

**TOTAL PROGRAM AND SUPPORT FEE DUE FROM JA AREA**      **\$ 106,598**

**Monthly Program and Support Fee (September - June)**      **\$ 10,660**

JA USA will not retroactively recalculate the program & support fee for any previously unsubmitted exemptions as of 5/31/22.

**GENERAL COMMENTS**