JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC.
AND RELATED ENTITIES

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2020 AND 2019

JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC.
AND RELATED ENTITIES
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2020 AND 2019

INDEPENDENT AUDITORS' REPORT

Board of Directors
Junior Achievement of Central Florida, Inc.
and Related Entities
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Junior Achievement of Central Florida, Inc., and related entities (nonprofit organizations) which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Junior Achievement of Central Florida, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of Central Florida, Inc., and related entities as of June 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The 2019 financial statements of Junior Achievement of Central Florida, Inc. and related entities were audited by other auditors whose report dated September 10, 2019, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 22-23 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
October 21, 2020

JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2019)

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 266,367	$ 185,714
Investments - Current	474,725	484,637
Pledges Receivable, Net	359,164	339,279
Inventories	116,374	110,561
Prepaid Expenses	8,028	19,312
Total Current Assets	1,224,658	1,139,503
LONG-TERM ASSETS		
Investments - Long-Term	1,185,831	1,299,461
Assets Held by Community Foundation	29,716	29,716
Long-Term Pledges, Net	26,000	-
Fixed Assets, Net	300,899	344,927
Total Long-Term Assets	1,542,446	1,674,104
Total Assets	$ 2,767,104	$ 2,813,607
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 132,302	$ 100,534
Deferred Revenue	-	42,216
Refundable Advance	14,455	-
Line of Credit	239,000	248,000
Total Current Liabilities	385,757	390,750
NET ASSETS		
Net Assets Without Donor Restrictions	1,002,090	243,136
Board Designated Net Assets	-	608,058
Total Net Assets Without Donor Restrictions	1,002,090	851,194
Net Assets With Donor Restrictions	1,379,257	1,571,663
Total Net Assets	2,381,347	2,422,857
Total Liabilities and Net Assets	$ 2,767,104	$ 2,813,607

See accompanying Notes to Consolidated Financial Statements.

JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2019)

	Net Assets Without Donor Restrictions			Net Assets		
		Board		With Donor	2020	2019
	Operating	Designated	Total	Restrictions	Total	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Contributions:						
Corporate	$ 161,377	$ -	$ 161,377	$ 82,230	$ 243,607	$ 214,505
Individual	107,295	-	107,295	29,500	136,795	140,274
Foundations	160,363	-	160,363	213,042	373,405	384,642
Total Contributions	429,035	-	429,035	324,772	753,807	739,421
Special Events	606,284	-	606,284	22,000	628,284	740,545
Governmental Revenue	139,145	-	139,145	-	139,145	-
Dividend and Interest Income	35,704	-	35,704	-	35,704	65,898
In-Kind Contributions	655,185	-	655,185	-	655,185	188,698
Other Income	25,100	-	25,100	-	25,100	26,995
Net Assets Released from Restrictions	1,147,331	(608,058)	539,273	(539,273)	-	-
Total Revenues, Gains, and Other Support	3,037,784	(608,058)	2,429,726	(192,501)	2,237,225	1,761,557
EXPENSES						
Program Expenses	1,409,689	-	1,409,689	-	1,409,689	1,079,519
Management and General	186,957	-	186,957	-	186,957	190,534
Fundraising Expenses	351,659	-	351,659	-	351,659	342,688
Cost of Direct Benefits to Donor	233,554	-	233,554	-	233,554	288,216
Total Expenses	2,181,859	-	2,181,859	-	2,181,859	1,900,957
CHANGE IN NET ASSETS BEFORE INVESTMENT RETURN	855,925	(608,058)	247,867	(192,501)	55,366	(139,400)
Investment Return, Net	(96,971)	-	(96,971)	95	(96,876)	(35,903)
CHANGE IN NET ASSETS	758,954	(608,058)	150,896	(192,406)	(41,510)	(175,303)
Net Assets - Beginning of Year	243,136	608,058	851,194	1,571,663	2,422,857	2,598,160
NET ASSETS - END OF YEAR	$ 1,002,090	$ -	$ 1,002,090	$ 1,379,257	$ 2,381,347	$ 2,422,857

See accompanying Notes to Consolidated Financial Statements.

JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2019)

	2020					2019
	Program Services	Management and General	Fundraising	Direct Donor Benefits	Total	Total
IN-KIND						
Program Materials & Services	$ 604,429	$ -	$ -	$ -	$ 604,429	$ 45,790
Special Events	-	-	-	55,732	55,732	40,843
NON-IN-KIND						
Academy Transportation	46,654	-	-	-	46,654	62,250
Bad Debt Expense	-	18,000	-	-	18,000	9,621
Computers and Software	2,267	714	1,486	-	4,467	3,752
Depreciation	25,020	7,877	16,394	-	49,291	46,259
Employee Benefits	44,189	13,911	28,954	-	87,054	126,598
Equipment Lease	9,606	3,024	6,294	-	18,924	22,215
Liability Insurance	13,408	1,352	2,813	-	17,573	22,149
Maintenance	10,560	3,324	6,919	-	20,804	18,238
Miscellaneous	15,423	4,855	10,106	-	30,384	53,371
National Participation	105,070	-	-	-	105,070	55,697
Office Supplies	2,297	723	1,505	-	4,525	13,890
Outside Services	826	260	541	-	1,628	614
Payroll	351,831	110,762	230,534	-	693,127	706,802
Payroll Tax	24,334	7,661	15,945	-	47,940	49,756
Postage	1,688	531	1,106	-	3,326	2,153
Professional Fees	26,850	8,453	17,593	-	52,896	81,865
Program Materials	78,902	-	-	-	78,902	201,028
Public Relations	3,560	1,121	2,333	-	7,014	11,659
Special Events	-	-	-	177,822	177,822	247,373
Staff Development/Training	9,720	772	1,607	-	12,099	4,446
Telephone	2,464	776	1,614	-	4,854	7,089
Travel	10,382	-	-	-	10,382	11,695
Utilities	9,024	2,841	5,913	-	17,778	17,796
Volunteer Recognition	8,731	-	-	-	8,731	31,271
Volunteer Recruiting/Training	2,453	-	-	-	2,453	6,737
Total Functional Expenses	$ 1,409,689	$ 186,957	$ 351,659	$ 233,554	$ 2,181,859	$ 1,900,957

See accompanying Notes to Consolidated Financial Statements.

JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributions	$ 1,472,690	$ 1,535,801
Interest and Dividends Received	35,704	65,898
Cash Paid to Suppliers and Employees	(1,428,360)	(1,679,532)
Interest Paid	(12,912)	(14,979)
Net Cash Provided (Used) by Operating Activities	67,122	(92,812)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(3,492)	(25,915)
Proceeds from Sale of Investments	361,394	186,947
Purchases of Investments	(335,371)	(178,651)
Net Cash Provided (Used) by Investing Activities	22,531	(17,619)
CASH FLOWS FROM FINANCING ACTIVITIES		
Line of Credit Borrowings	166,000	95,000
Repayment of Line of Credit	(175,000)	(50,000)
Net Cash Provided (Used) by Financing Activities	(9,000)	45,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	80,653	(65,431)
Cash and Cash Equivalents - Beginning	185,714	251,145
CASH AND CASH EQUIVALENTS - ENDING	$ 266,367	$ 185,714

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION

Junior Achievement of Central Florida, Inc. (Junior Achievement), JA Academy-Orlando, Inc. (JA Academy), and Junior Achievement of Central Florida Foundation, Inc. (the Foundation) (collectively the Organization) are organized to ensure that all graduating students in Central Florida are financially literate, grounded in free enterprise, leadership and entrepreneurial principles, and ready for the workplace. Junior Achievement is supported primarily through private donor contributions, private grants, and special events. The financial statements of Junior Achievement include the programs of Orange, Seminole, and Osceola Counties. The Foundation invests endowment funds solely for the benefit of Junior Achievement. JA Academy was formed in November 2012, as a magnet school to challenge, engage, and enlighten students about the boundless business opportunities that await them.

Junior Achievement transferred equity of $390,000 to JA Academy as startup capital for the entity during the year ended June 30, 2014. The transfer occurred to support JA Academy in its first year of operations as a separate legal entity.

In 2019, Junior Achievement USA (the National Organization) launched 3DE by Junior Achievement (3DE) through 3DE National LLC, a national education model that provides full-immersion educational services in high schools across the country to select JA area affiliates. Building on the success of the Organization's "school-within-a-school" program model of JA Academy, 3DE developed a scalable version of this innovative concept designed to reengineer high school education to connect the relevancy of education to the real world. The Organization adopted 3DE as the curriculum model in 2019 (as further described in Note 15) and began transitioning JA Academy in Fall 2019 as well as opened a new school fully under the 3DE Model. The transition to 3DE will enable the Organization to scale and expand the success of JA Academy which will fully transition to 3DE in Fall 2022.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Junior Achievement of Central Florida, Inc., JA Academy-Orlando, Inc., and Junior Achievement of Central Florida Foundation, Inc. Significant intercompany accounts and transactions have been eliminated in consolidation.

Comparative Financial Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2019, from which the summarized information was derived.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned, and expenses when the obligations are incurred.

Use of Estimates

The preparation of consolidated 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 consolidated 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

For financial statement purposes, the Organization considers all highly liquid debt instruments with a maturity of three months or less to be cash.

Pledges Receivable

The Organization records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Inventories

Inventories primarily consist of program kits, school supplies, and gifts for special events. Program kits are purchased from Junior the National Organization and recorded at the lower of cost or net realizable value, determined by the first in, first out method. Donated school supplies and gifts are recorded at estimated fair value.

Property and Equipment

Property and equipment in excess of $100 is capitalized at cost when purchased or at fair value at the date of the gift, if donated. Depreciation is calculated by the straight-line method over estimated useful lives of 3 to 40 years. Contributed assets are recorded at their estimated fair value at the date of contribution. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Repairs and maintenance are expensed as incurred.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are presented in the financial statements at fair value in accordance with accounting principles generally accepted in the United States of America. Changes in fair value are recorded as unrealized gains (losses). Realized gains (losses) are recorded upon the sale of the investment. Investment gains pertaining to certain restricted net assets are recorded as with donor restrictions in accordance with the applicable gift instruments. Interest income is recognized under the accrual basis and dividend income is recognized on the ex-dividend date.

Investments are exposed to various risks such as interest rate, market, and credit risks. It is reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect the amounts reported.

Fair Value Measurement

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 — Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity has the ability to access.

Level 2 — Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 — Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Deferred Revenue

Funds received in the current fiscal year to be earned in future fiscal periods are reflected as deferred revenue.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets 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 restrictions. The Board may choose to designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

The Organization recognizes gifts of cash or other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, (that is when a stipulated time restriction ends or a purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received.

Functional Expenses

The costs incurred by the Organization have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated between the program service, management, and general and fundraising expenses of the Organization. These allocations have been made based on considerations of time usage. Whenever possible expenses that are specifically identified with a program or supporting service are assigned to that function. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different results.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no effect on previously reported net assets or changes in net assets.

Income Taxes

The Organization is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal and state income taxes have been recorded in the accompanying financial statements.

The Organization follows the standard for accounting for uncertain tax positions. As a result of the implementation, the Organization recognized no liability for unrecognized tax benefits. The Organization files as a tax-exempt organization.

The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise, or other taxes.

Concentration of Credit Risk and Uncertainties

The Organization maintains demand deposits which may, at times, exceed federally insured limits. Both of these funds change daily depending upon cash deposits and withdrawals. To date the Organization has not experienced losses in any of these accounts.

New Accounting Pronouncements

The Organization has adopted the accounting guidance in Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, issued by the Financial Accounting Standards Board (FASB). The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services. The Organization has adopted ASU 2014-09 during 2019 using the modified retrospective method. The adoption of this accounting standard does not require prior period results to be restated.

In June 2018, FASB issued Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization's financial statements reflect the application of ASU 2018-08 beginning July 1, 2018.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 21, 2020, the date the consolidated financial statements were available for issuance.

NOTE 3 LIQUIDITY AND AVAILABILITY

The Organization's financial assets available for general expenditures within one year of the statement of financial position date comprise the following:

	2020	2019
Total Financial Assets	$ 2,341,803	$ 2,338,807
Donor Imposed Restrictions:		
Time and Purpose	(360,602)	(378,663)
Endowments	(1,018,655)	(1,193,000)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 964,566	$ 767,144

Financial Assets include cash and cash equivalents, investments, contributions receivable, restricted cash, investments held for long-term purposes, and beneficial interest in assets held by others. For purposes of analyzing resources available to meet general expenditures over one year, the Organization considers all expenditures related to its ongoing program activities, as well as the functions in support of those activities, to be general expenditures.

The Organization's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is not restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

NOTE 4 PLEDGES RECEIVABLE

Pledges receivable at June 30, 2020 and 2019, consist of multi-year pledges from donors totaling $26,000 and $-0-, respectively. Pledges receivable at June 30, 2020, are expected to be received within one to three years. As of June 30, 2020 and 2019, the allowance for uncollectible pledges is approximately $9,078 and $5,000, respectively, based on historical trends. Pledges receivable are reduced for the amount of the reserve. Unconditional promises to give as of June 30, 2020, are expected as follows:

	Amount
Due Within One Year	$ 368,242
Due in One to Five Years	26,000
Total	394,242
Less: Allowance for Uncollectible Pledges	(9,078)
Total Pledges Receivable	$ 385,164

NOTE 5 FIXED ASSETS

A summary of fixed assets at June 30 is as follows:

	2020	2019
Land	$ 13,600	$ 13,600
Building	894,813	894,813
Furniture and Equipment	384,041	382,809
Total	1,292,454	1,291,222
Less: Accumulated Depreciation	(991,555)	(946,295)
Total Fixed Assets	$ 300,899	$ 344,927

NOTE 6 LINE OF CREDIT

In January 2009, Junior Achievement obtained a $300,000 revolving line of credit with Truist Bank to help finance its short-term capital needs. As of July 2, 2012, the line of credit agreement was amended to increase the amount of available credit to $400,000. Under the new terms, any balance on the line of credit is also due upon demand. This line is collateralized by a portion of the Organization’s investment account being held by Truist. The collateral account must maintain a minimum value of $400,000 at all times. Interest is payable monthly on outstanding balances at an interest rate of .25% over the Prime Rate as established by Truist Bank from time to time. At June 30, 2020, the line’s effective rate of interest was 3.5%. The line of credit had a balance of $239,000 at June 30, 2020 and $248,000 at June 30, 2019.

NOTE 7 PAYCHECK PROTECTION PROGRAM

On April 11, 2020, the Organization received proceeds in the amount of $153,600 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, the Organization has classified this loan as a conditional contribution for accounting purposes. The Organization recognized $139,145 of government contribution revenue related to this agreement during the year ended June 30, 2020, which represents the portion of the PPP loan funds for which the performance barriers have been met. As of June 30, 2020, the Organization has not satisfied the performance barriers attributable to $14,455 of the PPP loan proceeds, and this amount is classified as refundable advance in the accompanying consolidated statement of financial position. The SBA has not formally forgiven any portion of the Organization’s obligation under this PPP loan. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date.

NOTE 7 PAYCHECK PROTECTION PROGRAM (CONTINUED)

If the SBA determines that a portion of the PPP loan proceeds will not be forgiven, the Organization would be obligated to repay those funds to the SBA at an interest rate of 1% over a period of two years, with payments deferred for up to six months. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date in April 2022.

NOTE 8 INVESTMENTS

Investments consist of the following at June 30:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Cash and Equivalents	$ 16,306	$ 16,306	$ 11,226	$ 11,226
REITs	40,696	43,329	40,574	45,309
Fixed Income	482,915	492,826	511,856	512,723
U.S. and International Equities	840,771	1,108,095	846,672	1,214,840
Subtotal	1,380,688	1,660,556	1,410,328	1,784,098
Beneficial Interest in Assets Held by Others	29,716	29,716	29,716	29,716
Total Investments	$ 1,410,404	$ 1,690,272	$ 1,440,044	$ 1,813,814

The following table presents the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30:

	2020			
	Level 1	Level 2	Level 3	Total
Cash and Equivalents	$ 16,306	$ -	$ -	$ 16,306
REITs	43,329	-	-	43,329
Fixed Income	492,826	-	-	492,826
U.S. and International Equities	1,108,095	-	-	1,108,095
Subtotal	1,660,556	-	-	1,660,556
Beneficial Interest in Assets Held by Others	-	-	29,716	29,716
Total Investments	$ 1,660,556	$ -	$ 29,716	$ 1,690,272

	2019			
	Level 1	Level 2	Level 3	Total
Cash and Equivalents	$ 11,226	$ -	$ -	$ 11,226
REITs	45,309	-	-	45,309
Fixed Income	512,723	-	-	512,723
U.S. and International Equities	1,214,840	-	-	1,214,840
Subtotal	1,784,098	-	-	1,784,098
Beneficial Interest in Assets Held by Others	-	-	29,716	29,716
Total Investments	$ 1,784,098	$ -	$ 29,716	$ 1,813,814

NOTE 9 NET ASSETS WITHOUT DONOR RESTRICTIONS

The board of directors and management of the Organization may designate the use of a portion of their net assets without restrictions. In April of 2020, the board of directors voted to release all net assets without restrictions from their respective designations. Board designations consist of the following at June 30:

	2020	2019
Designated:		
Land, Building, and Equipment	$ -	$ 383,443
Free Enterprise	-	195,850
Awards	-	28,765
Total Designated	$ -	$ 608,058

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as follows:

	2020	2019
Subject to Expenditure for Specified Purpose:		
Shirts for Students	$ 3,564	$ -
Volusia County Schools	15,000	-
Total Subject to Expenditure for Specified Purpose	18,564	-
Subject to the Passage of Time:		
Contributions Receivable	9,000	339,927
Career Success	5,000	-
Case Challenge	30,000	-
Drive Our Futures	5,000	-
Finance Park Virtual	153,093	109,280
Hall of Fame	22,000	-
JA Inspire - Orange	26,000	-
JA Inspire - Osceola	22,499	-
Mentor Program	15,000	15,000
Osceola Schools	-	250
Program Support	5,000	-
Scholarships	20,000	12,000
Title 1 Schools	29,446	35,000
Total Subject to Expenditure for Specified Period Reached	342,038	511,457
Endowment		
Original Donor Restricted Gift Amount to be Maintained in Perpetuity	1,018,655	1,060,206
Total Net Assets with Donor Restrictions	$ 1,379,257	$ 1,571,663

NOTE 11 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows:

	2020	2019
Contributions Receivable	$ 330,279	$ 28,841
Finance Park Virtual	109,928	122,000
Grants	-	85,000
Mentor Program	15,000	-
Osceola Schools	250	-
Scholarships	4,000	10,750
Title 1 Schools	35,000	-
Net Assets Released from Restrictions	$ 494,457	$ 246,591

NOTE 12 ENDOWMENT

The Organization's endowment consists primarily of donor-restricted funds invested in perpetuity by the Foundation and amounts held by the Community Foundation. As required by generally accepted accounting principles, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

During 2011, the state of Florida enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization enacted the enhanced disclosures for endowments required by accounting guidance which became effective July 1, 2012. As a result of the adoption of UPMIFA, there were no reclassifications warranted.

As a result of this interpretation, the Organization classifies as net assets with restrictions for (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 the 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 Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies

The Organization has adopted investment and spending policies, approved by the Foundation's Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

NOTE 12 ENDOWMENT (CONTINUED)

Investment Return Objectives, Risk Parameters, and Strategies (Continued)

Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Organization has a policy of appropriating for distribution each year earnings up to 5% of the endowment principal. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the endowment funds that must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3% annually, which is consistent with the Organization’s objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair value less than the amount required to be maintained by donors or law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Organization does not have any deficiencies as of June 30, 2020 and 2019.

Changes in endowment net assets for the years ended June 30, 2020 and 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2018	$ 333,292	$ 1,060,206	$ 1,393,498
Investment Gains, Loss, and Fees	8,816	-	8,816
Appropriated for Expenditures - Spending Policy	(62,500)	-	(62,500)
Endowment Net Assets, June 30, 2019	279,608	1,060,206	1,339,814
Contributions	-	3,170	3,170
Investment Gains, Loss, and Fees	(51,363)	95	(51,268)
Earnings Appropriated	44,816	(44,816)	-
Board of Directors Appropriated	(29,716)	-	(29,716)
Appropriated for Expenditures - Spending Policy	(69,000)	-	(69,000)
Endowment Net Assets, June 30, 2020	$ 174,345	$ 1,018,655	$ 1,193,000

NOTE 12 ENDOWMENT (CONTINUED)

Endowment funds are included in the consolidated statement of financial position under the following asset categories as of June 30:

	2020	2019
Cash	$ 7,169	$ 10,637
Assets Held By Community Foundation	-	29,716
Investments	1,185,831	1,299,461
Total	$ 1,193,000	$ 1,339,814

NOTE 13 IN-KIND CONTRIBUTIONS

In-kind donations are stated at fair value and are summarized as follows for the years ended June 30:

	2020	2019
Services	$ 584,906	$ -
Property	70,279	188,698
Total	$ 655,185	$ 188,698

In-kind revenue does not net with in-kind expenses due to inventory donations that were not used in the same period in which they were donated.

NOTE 14 HEALTH AND WELFARE BENEFITS TRUST AND POSTRETIREMENT BENEFITS PLAN

Multiemployer Pension Plan (Terminated effective June 30, 2019)

Prior to June 30, 2019, the National Organization offered a noncontributory defined benefit pension plan (the Plan) to its employees (E.I.N. 13-1635270: Plan Number: 333). The Plan is administered by the National Organization and covered all full-time employees of the National Organization, JA Worldwide, Inc. and participating Junior Achievement Areas in the United States. Benefits were determined based on years of service and salary history. Plan assets were invested in a variety of investment funds until 2019, when a substantial portion of the portfolio was placed into fixed income mutual funds, and 2020, when Plan assets were converted to cash and cash equivalents. Prior to June 30, 2019, in accordance with the plan documents, the National Organization, JA Worldwide, Inc. and participating Junior Achievement Areas made contributions to the plan equal to 16.75% of participants' eligible compensation. The National 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 National Organization.

NOTE 14 HEALTH AND WELFARE BENEFITS TRUST AND POSTRETIREMENT BENEFITS PLAN (CONTINUED)

Effective June 30, 2019, the Board of Directors of the National Organization approved the termination of the Plan, at which time all participants who were active in the plan became fully vested for their respective accrued benefits. The Plan required that participating employers (including the Organization) remain liable for any funding obligations under the Plan, until all liabilities and obligations of the Plan have been satisfied. As a result, during 2020, in accordance with the plan documents, the National Organization, JA Worldwide, Inc. and participating Junior Achievement Areas continued to make contributions equal to 13.25% of participants' eligible compensation.

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

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

During the years ended June 30, 2020 and 2019, the Organization contributed approximately $38,208 and $65,128 to the plan. The Organization did not provide more than 5% of the total contributions for the June 30, 2020 and 2019 plan years.

NOTE 14 HEALTH AND WELFARE BENEFITS TRUST AND POSTRETIREMENT BENEFITS PLAN (CONTINUED)

Health and Welfare Benefits Trust

The National Organization has a self-funded medical, dental, and other benefits plan covering full-time employees of the National 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 National Organization, JA Worldwide, Inc. and employees of Junior Achievement Areas in the United States can participate in the Health and Welfare Plan. All the assets and liabilities of the Health and Welfare Plan are held in the Junior Achievement USA Health and Welfare Benefits Trust (Benefits Trust). Accordingly, no balances or transactions of the Benefits Trust are recorded in the consolidated financial statements of the Organization. The Organization's premium expense for the Health and Welfare Plan for the years ended June 30, 2020 and 2019 was $48,846 and $61,470, respectively.

403(b) Retirement Plan

The Organization sponsors a 403(b) retirement plan to all eligible employees. The plan is administered by Certified Financial Group and permits employees to contribute a portion of their salary as defined in the plan document. The Organization did not make any employer contributions to the plan for the years ended June 30, 2020 and 2019.

NOTE 15 NATIONAL PARTICIPATION FEE AND RELATED PARTY TRANSACTIONS

In accordance with the franchise and operating agreement with the National Organization, the Organization remits a participation fee based upon the prior year's audited revenue, exclusive of certain approved special purpose donations (including contributions of land, building, and equipment), to support the National Organization. The fee is calculated as 11.5% of the first $1,000,000 of revenue subject to license fee, 9.5% of the next $1,000,000 raised, and 7.5% on revenue above $2,000,000. Effective April 2020, the National Organization discounted participation fees invoiced for the months of April, May, and June of 2020 by 40% as part of an effort to provide financial relief to the Organization during the Coronavirus pandemic. No amounts were payable as of June 30, 2020 and 2019, respectively. In addition to the national participation fee, the Organization purchases all of its program materials; program insurances which include general liability, D&O, crime, and accident coverage; employee life and health insurance; and software maintenance licenses from the National Organization. The following amounts were charged by the National Organization for these fees and services for the years ended June 30:

	2020	2019
National Participation Fee	$ 105,070	$ 55,697
Program Materials	13,261	92,475
Program Insurance	9,114	11,607
Employee Life and Health Insurance	48,846	61,470
Total	$ 176,291	$ 221,249

NOTE 15 NATIONAL PARTICIPATION FEE AND RELATED PARTY TRANSACTIONS (CONTINUED)

On October 9, 2019, the Organization entered into a sublicense agreement with 3DE Florida, LLC, a special purpose entity of 3DE National, LLC for the non-exclusive, non-transferable, and non-sublicensable right and license to the 3DE brand, programs and materials, and the 3DE Model, as defined in the agreement. Under the terms of the agreement, 3DE will pursue development, implementation, and management of the 3DE Model in Central Florida with input from the Organization. In addition, 3DE will provide 80% of the funding needed for the first 3DE school in the area, and 50% for expansion schools. The Organization's responsibilities include development of a multi-year strategic plan for the development and implementation of the 3DE Model; source half of all Case Challenge needs for 3DE schools, provide remaining funding needed for 3DE Model implementation, and certain reporting responsibilities. The agreement expires June 30, 2024 and provides for automatic five-year renewal periods unless otherwise terminated as permitted in the agreement. During the year ended June 30, 2020, the Organization received $561,056 of in-kind services from 3DE.

NOTE 16 COMMITMENTS

Junior Achievement leases various office equipment under long-term noncancelable operating leases. Lease expense amounted to $18,612 for the year ended June 30, 2020. The future minimum lease payments under these leases at June 30, 2020 are as follows:

Year Ending June 30,	Amount
2021	$ 7,988
2022	7,988
Total	$ 15,976

NOTE 17 RISK AND UNCERTAINTY

Prior to year-end, a pandemic of the Coronavirus (COVID-19) was declared by the World Health Organization. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its operations and financial results for the year ending June 30, 2020, including the fair market value of its investments. As of October 21, 2020, the amount and likelihood of loss, if any, relating to these events is not determined. In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES
CONSOLIDATING SCHEDULE OF STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Junior Achievement of Central Florida, Inc.	Junior Achievement of Central Florida Foundation, Inc.	JA Academy-Orlando, Inc.	Eliminations	Total
REVENUES AND SUPPORT					
Contributions:					
Corporate	$ 212,414	$ -	$ 31,193	$ -	$ 243,607
Individual	120,931	3,170	12,694	-	136,795
Foundations	348,905	-	93,500	(69,000)	373,405
Total Contributions	682,250	3,170	137,387	(69,000)	753,807
Special Events	601,834	-	26,450	-	628,284
Governmental Revenue	139,145	-	-	-	139,145
Dividends and Interest Income	9,139	26,565	-	-	35,704
In-Kind Contributions	653,935	-	1,250	-	655,185
Other Income	25,100	-	-	-	25,100
Total Revenues and Support	2,111,403	29,735	165,087	(69,000)	2,237,225
EXPENSES					
Program Expenses	1,320,593	69,000	89,096	(69,000)	1,409,689
Management and General	173,474	-	13,483	-	186,957
Fundraising Expenses	340,247	-	11,412	-	351,659
Cost of Direct Benefits to Donor	233,086	-	468	-	233,554
Total Expenses	2,067,400	69,000	114,459	(69,000)	2,181,859
CHANGE IN NET ASSETS BEFORE INVESTMENT RETURN	44,003	(39,265)	50,628	-	55,366
Investment Return, Net	(19,050)	(77,826)	-	-	(96,876)
CHANGE IN NET ASSETS	24,953	(117,091)	50,628	-	(41,510)
Net Assets - Beginning of Year	950,306	1,310,091	162,460	-	2,422,857
NET ASSETS - END OF YEAR	$ 975,259	$ 1,193,000	$ 213,088	$ -	$ 2,381,347

JUNIOR ACHIEVEMENT OF CENTRAL FLORIDA, INC. AND RELATED ENTITIES
ALTERNATIVE PRESENTATION OF STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2019)

	Net Assets Without Donor Restrictions					
PUBLIC SUPPORT AND REVENUES:	Operating	Board Designated	Total	Net Assets With Donor Restrictions	Total 2020	Total 2019
Contributions						
Corporate	$ 161,377	$ -	$ 161,377	$ 82,230	$ 243,607	$ 214,505
Individual	107,295	-	107,295	29,500	136,795	140,274
Foundations	160,363	-	160,363	213,042	373,405	384,642
Total Contributions	429,035	-	429,035	324,772	753,807	739,421
Special Events Gross	606,284	-	606,284	22,000	628,284	740,545
Less: Special Event Expenses	(233,554)	-	(233,554)	-	(233,554)	(288,216)
Special Events Net	372,730	-	372,730	22,000	394,730	452,329
Governmental Revenue	139,145	-	139,145	-	139,145	-
Investment Return, Net	35,704	-	35,704	-	35,704	65,898
Unrealized Gains or Loss on Investments	(97,469)	-	(97,469)	95	(97,374)	(50,515)
Realized Gains or Loss	498	-	498	-	498	14,612
In-Kind Contributions	655,185	-	655,185	-	655,185	188,698
Other Income	25,100	-	25,100	-	25,100	26,995
Net Assets Released:						
Purpose Restrictions	608,058	(608,058)	-	-	-	-
Time Restrictions	539,273	-	539,273	(539,273)	-	-
Total Public Support and Revenues	2,707,259	(608,058)	2,099,201	(192,406)	1,906,795	1,437,438
EXPENSES						
Program Expense	1,409,689	-	1,409,689	-	1,409,689	1,079,519
Fund Raising Expense	351,659	-	351,659	-	351,659	342,688
Management and General Expense	186,957	-	186,957	-	186,957	190,534
Losses	-	-	-	-	-	-
Total Expenses	1,948,305	-	1,948,305	-	1,948,305	1,612,741
CHANGE IN NET ASSETS	758,954	(608,058)	150,896	(192,406)	(41,510)	(175,303)
Net Assets - Beginning of Year	243,136	608,058	851,194	1,571,663	2,422,857	2,598,160
NET ASSETS - END OF YEAR	$ 1,002,090	$ -	$ 1,002,090	$ 1,379,257	$ 2,381,347	$ 2,422,857