

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Financial Statements  
and  
Supplemental Schedule**

**June 30, 2015 and 2014  
(With Independent Auditor's Report Thereon)**

# JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

## Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 23
Supplemental Information:	
Revenue Subject to License Fee	24



## **Independent Auditor's Report**

The Board of Directors  
Junior Achievement of Tampa Bay, Inc.:

We have audited the accompanying financial statements of Junior Achievement of Tampa Bay, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets, 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of Tampa Bay, Inc. as of June 30, 2015 and 2014, 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.

## **Other Matter**

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

MAYER HOFFMAN MCCANN P.C.

December 4, 2015  
Clearwater, Florida

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Statements of Financial Position**

**June 30, 2015 and 2014**

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Current assets:		
Cash and cash equivalents	\$ 634,604	707,947
Certificates of deposit	505,498	505,338
Grants and contracts receivable	278,626	332,536
Pledges receivable, net of allowance	263,862	266,625
Prepaid expenses	143,998	85,720
	<hr/>	<hr/>
Total current assets	1,826,588	1,898,166
Certificates of deposit	505,667	504,951
Investments - scholarships	209,288	241,518
Investments - other	1,056,657	960,740
Funds held in trust by others	412,538	218,850
Long-term pledges receivable, net of allowance	903,193	735,770
Other receivables	7,457	57
Property and equipment, net of accumulated depreciation	1,870,636	1,944,544
	<hr/>	<hr/>
Total long-term assets	4,965,436	4,606,430
Total assets	\$ <u>6,792,024</u>	<u>6,504,596</u>
 <b>Liabilities and Net Assets</b>  		
Current liabilities:		
Accounts payable	\$ 84,012	121,342
Deferred revenue	15,504	25,000
Accrued expenses	138,642	131,043
	<hr/>	<hr/>
Total current liabilities and total liabilities	238,158	277,385
Net assets:		
Unrestricted	3,368,789	3,346,939
Net investment in property and equipment	1,870,636	1,944,544
	<hr/>	<hr/>
Total unrestricted net assets	5,239,425	5,291,483
Temporarily restricted - JA BizTown	978,099	573,447
Temporarily restricted - time restrictions	213,674	239,613
	<hr/>	<hr/>
Total temporarily restricted net assets	1,191,773	813,060
Permanently restricted for endowment	122,668	122,668
	<hr/>	<hr/>
Total net assets	6,553,866	6,227,211
Commitments and related party transactions		
	<hr/>	<hr/>
Total liabilities and net assets	\$ <u>6,792,024</u>	<u>6,504,596</u>

See accompanying independent auditor's report and notes to financial statements.

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Statements of Activities and Changes in Net Assets**

**Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Unrestricted activities:		
Public support and revenue:		
Contributions:		
Corporate	\$ 275,164	160,200
Individual	251,152	203,559
Foundations	<u>333,718</u>	<u>311,300</u>
Total contributions	860,034	675,059
Special events:		
Special events revenue	229,684	111,095
Contributions derived from special events	1,540,235	1,444,078
Less: direct cost of special events	<u>(581,391)</u>	<u>(538,740)</u>
Net special events	1,188,528	1,016,433
Governmental income	612,140	624,958
Program revenue	359,578	354,864
Interest and dividend income	33,409	23,036
Unrealized gains (losses) on investments	(8,596)	59,341
In-kind contributions	39,303	25,950
Other income	7,649	9,049
Net assets released from restrictions	<u>210,793</u>	<u>407,082</u>
Total support and revenue	3,302,838	3,195,772
Expenses:		
Program services:		
Educational programs	2,470,548	2,433,250
JA BizTown	<u>463,241</u>	<u>451,599</u>
Total program services	2,933,789	2,884,849
Support services:		
Management and general	167,769	184,148
Fundraising	<u>253,338</u>	<u>243,063</u>
Total support services	421,107	427,211
Total expenses	<u>3,354,896</u>	<u>3,312,060</u>
Change in unrestricted net assets	(52,058)	(116,288)
Unrestricted net assets, beginning of year	<u>5,291,483</u>	<u>5,407,771</u>
Unrestricted net assets, end of year	\$ <u><u>5,239,425</u></u>	<u><u>5,291,483</u></u>

(Continued)

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Statements of Activities and Changes in Net Assets - Continued**

	<u>2015</u>	<u>2014</u>
Temporarily restricted activities:		
Public support and revenue:		
Contributions:		
Corporate	\$ 500,000	443,400
Individual	93,202	183,687
	<u>593,202</u>	<u>627,087</u>
Total contributions	593,202	627,087
Investment earnings (losses)	(3,696)	22,628
Net assets released from restrictions:		
Net assets released from restrictions - JA BizTown	(55,348)	(152,834)
Net assets released from restrictions - time restrictions	<u>(155,445)</u>	<u>(254,248)</u>
Change in temporarily restricted net assets	378,713	242,633
Temporarily restricted net assets, beginning of year	<u>813,060</u>	<u>570,427</u>
Temporarily restricted net assets, end of year	<u>\$ 1,191,773</u>	<u>813,060</u>
Permanently restricted activities:		
Public support and revenue:		
Contributions	\$ -	-
Change in permanently restricted net assets	-	-
Permanently restricted net assets, beginning of year	<u>122,668</u>	<u>122,668</u>
Permanently restricted net assets, end of year	<u>\$ 122,668</u>	<u>122,668</u>
Total change in net assets	326,655	126,345
Total net assets, beginning of year	<u>\$ 6,227,211</u>	<u>6,100,866</u>
Total net assets, end of year	<u>\$ 6,553,866</u>	<u>6,227,211</u>

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Statement of Functional Expenses**

**Year Ended June 30, 2015  
(With Comparative Totals for 2014)**

	Program Services			Support Services			Total Expenses	
	Educational Programs	JA BizTown	Total Program Services	Management and General	Fundraising	Total Support Services	2015	2014
Salaries	\$ 991,849	102,926	1,094,775	98,932	140,036	238,968	1,333,743	1,237,410
Payroll taxes and employee benefits	261,383	21,055	282,438	25,523	36,128	61,651	344,089	332,160
Total salaries and related expenses	1,253,232	123,981	1,377,213	124,455	176,164	300,619	1,677,832	1,569,570
JA Breakfast expenses	-	-	-	-	13,609	13,609	13,609	20,421
Insurance	22,579	16,471	39,050	3,382	2,684	6,066	45,116	44,900
Maintenance, telephone, and utilities	42,844	94,415	137,259	7,689	7,625	15,314	152,573	167,939
Rent	29,656	10	29,666	5,006	2,097	7,103	36,769	38,912
In-kind	22,952	-	22,952	3,876	12,475	16,351	39,303	25,950
Office supplies and postage	21,271	7,035	28,306	4,874	2,802	7,676	35,982	33,413
Volunteer and staff training and recognition	63,526	1,758	65,284	10,642	8,147	18,789	84,073	72,341
Public relations	718	-	718	359	359	718	1,436	2,875
Program materials and supplies	351,378	128,419	479,797	-	-	-	479,797	467,774
Franchise fees	89,108	-	89,108	-	-	-	89,108	82,448
Professional fees	13,914	-	13,914	2,350	1,806	4,156	18,070	17,771
Scholarships	6,099	-	6,099	1,030	792	1,822	7,921	11,100
Contract program expenses	517,676	-	517,676	-	-	-	517,676	578,557
Bad debt	-	-	-	-	11,500	11,500	11,500	30,000
Office expenses	34,972	17	34,989	4,001	9,528	13,529	48,518	48,528
Total expenses before depreciation and amortization	2,469,925	372,106	2,842,031	167,664	249,588	417,252	3,259,283	3,212,499
Depreciation and amortization	623	91,135	91,758	105	3,750	3,855	95,613	99,561
Total expenses	\$ 2,470,548	463,241	2,933,789	167,769	253,338	421,107	3,354,896	3,312,060

See accompanying independent auditor's report and notes to financial statements.



**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Statement of Functional Expenses**

**Year Ended June 30, 2014**

	Program Services			Support Services			Total Expenses
	Educational Programs	JA BizTown	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries	\$ 913,308	101,368	1,014,676	111,367	111,367	222,734	1,237,410
Payroll taxes and employee benefits	261,492	10,880	272,372	29,894	29,894	59,788	332,160
Total salaries and related expenses	1,174,800	112,248	1,287,048	141,261	141,261	282,522	1,569,570
JA Breakfast expenses	-	-	-	-	20,421	20,421	20,421
Insurance	22,471	15,695	38,166	3,366	3,368	6,734	44,900
Maintenance, telephone, and utilities	69,367	81,716	151,083	8,463	8,393	16,856	167,939
Rent	29,962	10	29,972	5,058	3,882	8,940	38,912
In-kind	16,174	-	16,174	2,731	7,045	9,776	25,950
Office supplies and postage	24,482	2,505	26,987	3,755	2,671	6,426	33,413
Volunteer and staff training and recognition	54,661	703	55,364	9,157	7,820	16,977	72,341
Public relations	1,437	-	1,437	719	719	1,438	2,875
Program materials and supplies	321,032	146,742	467,774	-	-	-	467,774
Franchise fees	82,448	-	82,448	-	-	-	82,448
Professional fees	13,684	-	13,684	2,311	1,776	4,087	17,771
Scholarships	8,547	-	8,547	1,443	1,110	2,553	11,100
Contract program expenses	578,557	-	578,557	-	-	-	578,557
Bad debt	-	-	-	-	30,000	30,000	30,000
Office expenses	34,979	291	35,270	5,775	7,483	13,258	48,528
Total expenses before depreciation and amortization	2,432,601	359,910	2,792,511	184,039	235,949	419,988	3,212,499
Depreciation and amortization	649	91,689	92,338	109	7,114	7,223	99,561
Total expenses	\$ 2,433,250	451,599	2,884,849	184,148	243,063	427,211	3,312,060

See accompanying independent auditor's report and notes to financial statements.

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Statements of Cash Flows**

**Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 326,655	126,345
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	95,613	99,561
Net realized and unrealized losses (gains) on investment securities	8,596	(59,341)
Net earnings and loss on funds held in trust	6,437	(30,459)
Bad debt expense	11,500	30,000
Long-term pledges written off against allowance for doubtful accounts	23,595	22,940
Decrease in grants and contract receivable	53,910	97,081
Increase in pledge receivable	(199,755)	(30,608)
Decrease (increase) in other receivable	(7,400)	12,448
Increase in prepaid expenses	(58,278)	(17,628)
Increase (decrease) in accounts payable	(37,330)	8,305
Increase (decrease) in deferred revenue	(9,496)	25,000
Increase (decrease) in accrued expenses	7,599	(2,890)
	<u>221,646</u>	<u>280,754</u>
Net cash provided by operating activities	221,646	280,754
Cash flows from investing activities:		
Cash payments for the purchase of property and equipment	(21,705)	(47,210)
Cash invested in certificates of deposit	(876)	(1,010,289)
Maturities of certificates of deposit	-	1,008,584
Proceeds from sale of investments	30,089	43,339
Purchase of investments	(302,497)	(471,480)
	<u>(294,989)</u>	<u>(477,056)</u>
Net cash used in investing activities	(294,989)	(477,056)
Net decrease in cash and cash equivalents	(73,343)	(196,302)
Cash and cash equivalents, beginning of year	<u>707,947</u>	<u>904,249</u>
Cash and cash equivalents, end of year	<u>\$ 634,604</u>	<u>707,947</u>

# JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

## Notes to Financial Statements

June 30, 2015 and 2014

### (1) Description of Organization and Summary of Significant Accounting Policies

#### (a) Description of Organization

Junior Achievement of Tampa Bay, Inc. (the Organization) is incorporated under the laws of the State of Florida as a nonprofit corporation. Its purpose is to educate and inspire young people to succeed in a global economy and own their economic success. The Organization accomplishes this mission through its program services by bringing business role models into the classroom to help prepare our future work force. Funding for the Organization's activities and programs is obtained through public contributions and fund raising activities. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization is headquartered in Tampa, Florida, with responsibilities for Pinellas, Hillsborough, Hernando, Polk, Sarasota, Manatee, Pasco, Alachua, Marion, Levy, Highlands, and Citrus Counties.

The Organization also operates JA BizTown in Hillsborough County. JA BizTown is designed to encourage students to learn about the free enterprise system through active participation in a simulated community. With a variety of hands-on activities, students will better understand the relationship between what they learn in the classroom and their successful participation in the simulated economy.

#### (b) Basis of Accounting

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present net assets and revenue, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Unrestricted net assets* consist of unrestricted amounts that are available for use in carrying out the operations of Junior Achievement of Tampa Bay, Inc.

*Temporarily restricted net assets* represent those amounts which are not available until future periods or are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently restricted net assets* represent those amounts subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

## JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

### Notes to Financial Statements - Continued

#### (1) Description of Organization and Summary of Significant Accounting Policies - Continued

##### (b) Basis of Accounting - Continued

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the unrestricted net asset class. The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

##### (c) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

##### (d) Certificates of Deposit

The Organization holds investments in certificates of deposit in the amount of \$1,011,165 and \$1,010,289 at June 30, 2015 and 2014, respectively. Interest rates on the certificates of deposit averaged 0.09% for the year ended June 30, 2015 and 0.11% for the year ended June 30, 2014.

##### (e) Property and Equipment

Property and equipment are stated at cost, if purchased or at estimated fair value at the date of receipt if acquired by gift. The Organization capitalizes all expenditures for property and equipment in excess of \$250. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. Major renewals and betterments are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. It is the policy of the Organization to maintain all property and equipment in good condition.

In accordance with U.S. Generally Accepted Accounting Principles, the Organization assesses the need to record impairment losses on property and equipment with finite lives when events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable. An impairment loss would be recognized when future estimated undiscounted cash flows expected to result from use of the property and equipment is less than the carrying value.

## JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

### Notes to Financial Statements - Continued

#### (1) **Description of Organization and Summary of Significant Accounting Policies - Continued**

##### (f) **Donated Services**

A substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain the Organization's programs. No amounts have been recorded in the financial statements for voluntary donation of services because no objective basis is available to measure the value of such donations. Donated materials or equipment, when received are reflected as contributions in the financial statements at their estimated fair market values at the date of receipt.

During the years ended June 30, 2015 and 2014, the Organization occupied donated space for its operations under month-to-month arrangements. The Organization estimates the fair value of the annual rent to be \$12,000 and it is included in contributions and expenses on the statement of activities and changes in net assets (\$18,546 for the year ended June 30, 2014). The Organization also received donated supplies of \$8,568, donated event catering services of \$11,100, and donated event advertising of \$7,635 during the year ended June 30, 2015. The Organization received donated supplies of \$7,650 and donated event services of \$1,500 during the year ended June 30, 2014.

##### (g) **Fair Value of Financial Instruments**

U.S. Generally Accepted Accounting Principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments (other than investment securities) are cash and cash equivalents, certificates of deposit, grants and contract receivable and pledges receivable. For these financial instruments, carrying values approximate fair value.

Fair value measurement information relating to investments is detailed in Note 11.

##### (h) **Income Taxes**

The Organization is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes*, clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Organization's income tax returns. The Organization's income tax filings are subject to audit by taxing authorities and filings for periods after fiscal 2011 are open for examination. The Organization does not believe it has any unrecognized exposure relating to uncertain tax positions at June 30, 2015.

##### (i) **Estimates in Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases or decreases in net assets during the period. Actual results could differ from those estimates.

## JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

### Notes to Financial Statements - Continued

#### (1) Description of Organization and Summary of Significant Accounting Policies - Continued

##### (j) Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statements of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided.

##### (k) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair values in the Organization's statement of financial position. Unrealized gains and losses are included in the changes in net assets in the accompanying financial statements. Restrictions on investment earnings are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the earnings are recognized.

##### (l) Unconditional Promises to Give

Contributions are recognized at their present value when a donor makes a contribution. Unconditional promises to give are recognized as revenue in the periods received. The Organization distinguishes between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets depending upon the existence or nature of any donor stipulations. In the absence of donor stipulations, contributions are reported as unrestricted support.

##### (m) Funding and Credit Concentrations

During fiscal 2015, the Organization maintained its primary deposit accounts with one commercial bank and one brokerage firm. Deposits with the commercial bank exceeded federal deposit insurance limits by \$1,591,351 and \$1,365,723 at June 30, 2015 and 2014, respectively. Cash equivalents held at a brokerage firm that are not federally insured totaled \$75,648 and \$124,733 at June 30, 2015 and 2014, respectively.

Credit risk related to pledges receivable is alleviated due to the large number of individual and corporate donors. However, amounts due from two donors accounted for 25% of pledges receivable at June 30, 2015. Amounts due from three donors accounted for 44% of pledges receivable at June 30, 2014.

Amounts due from two local governmental agencies accounted for 39% and 49% of grants and contracts receivable at June 30, 2015 and 2014, respectively. Funding from two local agencies accounted for 100% of governmental income for the fiscal years ended June 30, 2015 and 2014.

##### (n) Reclassification

Certain 2014 amounts have been reclassified to conform to the 2015 presentation as described in Note 7.

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Notes to Financial Statements - Continued**

**(2) Pledges Receivable**

The following schedule presents when pledges receivable at June 30, 2015 and 2014 are due:

	<u>2015</u>	<u>2014</u>
Collectible in one year:		
Contributions	\$ 215,501	304,018
JA BizTown	137,084	55,000
Collectible in two to five years:		
Contributions	190,657	40,908
JA BizTown	567,916	565,000
Collectible in five years and beyond:		
Contributions	13,100	192,100
JA BizTown	205,000	15,000
Less discount to present value of collectible amounts:		
Contributions	(7,714)	(6,300)
JA BizTown	(48,151)	(44,900)
Less allowance for doubtful accounts:		
Contributions	(106,338)	(118,431)
JA BizTown	<u>-</u>	<u>-</u>
	<u>\$ 1,167,055</u>	<u>1,002,395</u>

Pledges receivable which are due in more than one year are recorded at estimated fair value at the date of the pledge by discounting future cash flows using current risk-adjusted rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected contribution collection period. The rates of return utilized to discount future cash flows from pledges ranged from 0.11% to 2.83%.

The Organization has provided an allowance for doubtful accounts of \$106,338 at June 30, 2015 and \$118,431 at June 30, 2014. During the year ended June 30, 2015, the Organization wrote off \$23,595 of uncollectible pledges to the allowance for doubtful accounts and \$22,940 during the year ended June 30, 2014.

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Notes to Financial Statements - Continued**

**(3) Investments**

At June 30, 2015 and 2014, the cost and fair value of investments, which were held in safekeeping by a financial institution, were as follows:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Corporate bonds	\$ 418,382	424,756	462,561	458,264
Exchange traded funds	769,742	841,189	669,897	743,994
	\$ 1,188,124	1,265,945	1,132,458	1,202,258

The Organization's investments in exchange traded funds and bonds are not concentrated in a single entity or in a few entities nor are there any specific industry concentrations.

Investments are presented at fair value under the following captions in the accompanying statements of financial position:

	2015	2014
Investments - scholarships	\$ 209,288	241,518
Investments - other	1,056,657	960,740
	\$ 1,265,945	1,202,258

**(4) Property and Equipment**

Property and equipment consist of the following at June 30, 2015 and 2014:

	2015	2014
Building	\$ 2,242,966	2,242,966
Land	73,892	73,892
Equipment	575,381	571,465
Educational curriculum	17,789	12,249
Furniture and fixtures	12,675	12,675
	2,922,703	2,913,247
Less accumulated depreciation	(1,052,067)	(968,703)
	\$ 1,870,636	1,944,544

Depreciation expense for the years ended June 30, 2015 and 2014 was \$93,867 and \$97,815, respectively.



## JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

### Notes to Financial Statements - Continued

#### (5) Leases

The Organization leases certain equipment and facilities for the operation of its programs. The leases are classified as operating leases. Rent expense incurred for such facilities and equipment totaled \$65,363 and \$71,732 for years ended June 30, 2015 and 2014, respectively. Future minimum annual payments for leases having initial or remaining non-cancellable lease terms in excess of one year are approximately \$10,900 in 2016; \$9,100 in 2017; \$5,600 in 2018; and \$2,000 in 2019, for a total of \$27,600.

Pursuant to a facilities agreement with the School District of Hillsborough County, the Organization is the recipient of approximately 2 acres of property for the construction and operation of JA BizTown. The land is subject to a long-term lease agreement where the Organization pays \$10 per year for the site for 50 years. In the event that the facilities are used for purposes other than JA BizTown, then the lease interest will automatically revert back to the School District of Hillsborough County. In addition, as the Organization does not hold title to the property, it cannot use the land as collateral for a loan nor sell the land. In accordance with FASB Accounting Standards Codification 958, *Not-For-Profit Entities*, the Organization recognized a contribution in the amount of \$73,892 representing the fair value of this property during the year ended June 30, 2005. Amortization of the fair value of the donation to rent expense was \$1,746 for fiscal 2015 and fiscal 2014.

#### (6) Employee Benefit Plans

##### *Multiemployer Pension Plan*

The Organization offers a noncontributory defined benefit pension plan (the Plan) to its employees. The Plan is administered by the Organization and covers all full-time employees of the Organization, JA Worldwide, Inc. and participating Junior Achievement chapters in the United States. The Plan is accounted for like a multiemployer plan. Benefits are determined based on years of service and salary history. The Plan's assets are invested in various investment funds. The respective participants' employers are required to fund the Plan, as determined necessary by the Organization's Board of Directors, based on an annual actuarial valuation. The Organization makes contributions equal to 16.75% of participants' eligible compensation. The Plan requires that participating members who withdraw from the Plan, remain liable for any previous funding obligations under the Plan. Accordingly, the Organization recognizes, as net pension cost, the required contribution for the period and recognizes, as a liability, any contributions due and unpaid. There is no recognition of the funded status of the Plan in the financial statements of the Organization.

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 the Plan, the Organization would be required to pay the Plan an amount based on the underfunded status of the Plan, referred to as a withdrawal liability.

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Notes to Financial Statements - Continued**

**(6) Employee Benefit Plans - Continued**

The Organization’s participation in this Plan for the annual period ended June 30, 2015 is outlined in the table below. The “EIN/Pension Plan Number” column provides the Employee Identification Number (EIN) and the three-digit plan number. The Plan’s funded status available in 2015 and 2014 is for years ended June 30, 2015 and 2014, respectively. There have been no significant changes that affect the comparability of 2015 and 2014 contributions.

Pension Fund	EIN/Pension Plan Number	Funded Status		Contributions of Organization	
		2015	2014	2015	2014
Retirement Plan for Employees of Junior Achievement USA	13-1635270 PN 333	71%	68%	\$168,050	\$146,215

The Organization was listed in its Plan’s Form 5500 as providing more than 5% of the total contributions for the June 30, 2015 and 2014 plan years.

*Health and Welfare Benefits Trust*

The Organization has a self-funded medical, dental and other benefits plan covering full-time employees of the Organization and their beneficiaries and covered dependents. The plan is accounted for like a multi-employer plan. Premiums are paid into the plan for each participant by the Organization. All the assets and liabilities of the 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.

*Postretirement Benefits Plan*

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

**(7) Temporarily and Permanently Restricted Net Assets**

At June 30, 2015 and 2014, the Organization had temporarily restricted net assets consisting of long-term pledges for the support of the BizTown program of \$978,099 and \$573,447, respectively. For the year ended June 30, 2015, \$55,348 of temporarily restricted net assets were released from restrictions as a result of JA BizTown operating expenses being incurred (\$152,834 for the year ended June 30, 2014).

## JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

### Notes to Financial Statements - Continued

#### (7) Temporarily and Permanently Restricted Net Assets - Continued

At June 30, 2015 and 2014, the Organization had temporarily restricted net assets consisting of long-term pledges for the general support of the Organization of \$178,427 and \$200,669, respectively. For the year ended June 30, 2015, \$155,445 of temporarily restricted net assets were released from restrictions as a result of satisfaction of time restrictions (\$254,248) for the year ended June 30, 2014.

During fiscal 2015, the Organization transferred \$485,000 of long-term pledges from the time restricted classification of temporarily restricted net assets to JA BizTown temporarily restricted net assets as a result of re-evaluating which program the pledges supported. This transfer, recorded at net present value using a discount of \$40,500, had no impact on the total change in net assets or the change in temporarily restricted net assets for fiscal 2015.

At June 30, 2015 and 2014, the Organization had temporarily restricted net assets of \$35,247 and \$38,944, respectively, resulting from earnings and net appreciation of the endowment included in permanently restricted net assets. At June 30, 2015 and 2014, the Organization had permanently restricted net assets in an endowment of \$122,668, as more fully described in Note 12.

#### (8) Related Parties

A company for which a board member is the Executive Director contracts with the Organization to provide youth financial and economic training programs to provide them with skills to enter the workforce. Revenue recorded by the Organization under these contracts was approximately \$587,000 and \$597,000 for the years ended June 30, 2015 and 2014, respectively.

The Organization purchases food for student lunches related to programs from a company owned by a board member. Total purchases for the fiscal year ended June 30, 2015 and 2014 were \$28,457 and \$31,565, respectively.

## JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

### Notes to Financial Statements - Continued

#### (9) Transactions with Junior Achievement, USA

The Organization was formed pursuant to an agreement with Junior Achievement, USA, a national organization. In this relationship, the Organization pays fees to and purchases program materials, insurance and various services from Junior Achievement, USA. The Organization made payments to Junior Achievement, USA during the year for the following items:

	<u>2015</u>	<u>2014</u>
Program materials	\$ 420,498	325,172
Franchise fees	89,108	82,448
Life and health insurance	128,381	120,744
Business liability insurance	22,824	21,672
Pension costs	168,050	146,215
Student fee for JA BizTown	26,253	24,176
Software maintenance	4,600	4,600
	<u>\$ 859,714</u>	<u>725,027</u>

#### (10) Commitments

During the year ended June 30, 2010, the Organization entered into an agreement with the Executive Director to provide a life insurance policy and pay the premiums of \$10,000 per year until the year ending June 30, 2018, provided the Executive Director remains with the Organization. If the Executive Director should leave the Organization before June 30, 2018, the Organization will cease paying the premiums and can restrict the Executive Director's ability to access the cash value of the policy until he attains the age of 65 (attained during the fiscal year ending June 30, 2027). The agreement remained in effect at June 30, 2015.

## JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

### Notes to Financial Statements - Continued

#### (11) Fair Value Measurements

The Organization has adopted FASB guidance on *Fair Value Measurement* as codified in FASB ASC 820-10, which provides a common definition of fair value, establishes a framework for measuring fair value under U.S. generally accepted accounting principles and requires additional disclosures about fair value.

Financial instruments measured at fair value are classified and disclosed in the following categories:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are equities, certain corporate bonds, intermediate bond funds, U.S. Treasury notes and cash and cash equivalents.
- Level 2: Pricing inputs are other than quoted prices for identical investments in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The types of investments which are generally included in this category include corporate bonds, government bonds, mortgage backed securities, real estate investment trusts and closed-end funds.
- Level 3: Valuation is based on unobservable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

*Investments in exchange traded funds* are investments whose fair value is the closing price reported on the active market which the individual securities are traded.

*Investments in corporate bonds* are investments whose fair value is based on quoted market values for similar securities in active markets, as bonds are not actively traded.

*Investments in funds held in trust by others* are investments pooled with other assets of the Community Foundation for investment purposes and valued at net asset value based on the valuation of the underlying securities.

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Notes to Financial Statements - Continued**

**(11) Fair Value Measurements - Continued**

Fair value of assets measured on a recurring basis at June 30, 2015 and 2014 was as follows:

<u>Description</u>	Assets Measured at Fair Value at June 30, 2015	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange traded funds:				
International	\$ 151,424	151,424	-	-
Index	297,386	297,386	-	-
Dividend and income	392,379	392,379	-	-
Corporate bonds	424,755	-	424,755	-
Funds held in trust	412,538	-	412,538	-
	<u>\$ 1,678,482</u>	<u>841,189</u>	<u>837,293</u>	<u>-</u>

  

<u>Description</u>	Assets Measured at Fair Value at June 30, 2014	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange traded funds:				
International	\$ 144,945	144,945	-	-
Index	253,902	253,902	-	-
Dividend and income	70,098	70,098	-	-
Corporate bonds	275,049	275,049	-	-
Corporate bonds	458,264	-	458,264	-
Funds held in trust	218,850	-	218,850	-
	<u>\$ 1,421,108</u>	<u>743,994</u>	<u>677,114</u>	<u>-</u>

**(12) Funds Held in Trust by Others**

The Community Foundation of Tampa Bay (Community Foundation) holds endowment funds for which the earnings have been restricted for the benefit of the Organization. Assets contributed to the Community Foundation for the benefit of the Organization are recorded as assets of the Organization in accordance with professional standards. These “agency restricted funds” are pooled with the other assets of the Community Foundation for investment purposes.

During fiscal 2015, the Organization transferred \$200,125 to the Community Foundation of North Central Florida to establish the Junior Achievement Endowment Fund. The earnings of this fund have been restricted for the benefit of the Organization. Assets contributed to the Community Foundation of North Central Florida for the benefit of the Organization are recorded as assets of the Organization in accordance with professional standards. These “agency restricted funds” are pooled with the other assets of the Community Foundation of North Central Florida for investment purposes.

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Notes to Financial Statements - Continued**

**(12) Funds Held in Trust by Others - Continued**

“Agency restricted funds” which were established for the Organization within the Community Foundations had fair values of \$412,538 and \$218,850 at June 30, 2015 and 2014, respectively. These funds are recorded by the Organization as follows:

Funds held in trust by others by type of fund as of June 30, 2015 and 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Tampa Endowment - designated by the Board	\$ 13,411	-	-	13,411
Alachua Endowment - agency fund	42,309	-	-	42,309
Alachua Endowment	-	35,247	122,668	157,915
Gainesville Endowment	198,903	-	-	198,903
	<u>\$ 254,623</u>	<u>35,247</u>	<u>122,668</u>	<u>412,538</u>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Tampa Endowment - designated by the Board	\$ 13,724	-	-	13,724
Alachua Endowment - agency by the Board	43,514	-	-	43,514
Alachua Endowment	-	38,944	122,668	161,612
	<u>\$ 57,238</u>	<u>38,944</u>	<u>122,668</u>	<u>218,850</u>

Changes in funds held in trust by others for the year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 57,238	38,944	122,668	218,850
Contributions	200,125	-	-	200,125
Investment income (expense)	1,263	5,414	-	6,677
Net depreciation (realized and unrealized)	(4,003)	(9,111)	-	(13,114)
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, end of year	<u>\$ 254,623</u>	<u>35,247</u>	<u>122,668</u>	<u>412,538</u>

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Notes to Financial Statements - Continued**

**(12) Funds Held in Trust by Others - Continued**

Changes in funds held in trust by others for the year ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 49,407	16,316	122,668	188,391
Investment income	1,091	3,641	-	4,732
Net appreciation (realized and unrealized)	6,740	18,987	-	25,727
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, end of year	<u>\$ 57,238</u>	<u>38,944</u>	<u>122,668</u>	<u>218,850</u>

*Interpretation of Relevant Law*

Management has interpreted the law as requiring donor restricted net assets in an endowment fund to remain restricted until appropriated for expenditure by the Organization for the donor's intended purpose. In accordance with the State Management of Institutional Funds Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The purposes of the Organization and the donor-restricted endowment fund;
- 2) General economic conditions;
- 3) The possible effect of inflation and deflation;
- 4) The expected total return from income and the appreciation of investments;
- 5) Other resources of the Organization; and
- 6) The investment policies of the Organization.

*Return Objectives and Risk Parameters*

Assets contributed to the Community Foundations for the benefit of the Organization are recorded as assets of the Organization in accordance with professional standards. These "agency restricted funds" are pooled with other assets of the Community Foundations for investment purposes.

*Spending Policy*

The Community Foundations can make yearly grants to the Organization of no more than 5% of the fund's fair value upon written request from the Organization. For the years ended June 30, 2015 and 2014, the Organization has reinvested the grant earnings into the respective funds. If the Organization chooses to request the grant funds, they must be used in Tampa Bay or Alachua operations depending on which endowment produced the earnings necessary to fund the grants.



## JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.

### Notes to Financial Statements - Continued

#### (13) Claims and Contingencies

##### *Local Grants*

Grant funds received by the Organization are subject to audit by grantor agencies and independent auditors working under their direction. Audits of these grants may result in disallowed costs, which may constitute a liability of the Organization. In the opinion of management, disallowed costs, if any, would not have a materially adverse effect on the Organization's financial condition.

#### (14) Subsequent Events Review

The Organization has evaluated subsequent events through December 4, 2015, the date the financial statements were available for issuance.

**JUNIOR ACHIEVEMENT OF TAMPA BAY, INC.**

**Revenue Subject to License Fee**

**Year Ended June 30, 2015**

Area ID	<u>111800</u>
Junior Achievement of Tampa Bay, Inc.	
For Year Ended	<u>6/30/15</u>

Revenue per audit:

Total unrestricted revenue	\$ 3,302,838
Total permanently restricted revenue	-
Net assets released (pledges only) from restrictions	(210,793)
Add in prior year pledges - gross	1,172,026
Subtract current year pledges - gross	(1,329,258)
Add special event expenses	<u>581,391</u>

Adjusted total revenue 3,516,204

Subtract:

In-kind	(39,303)
In-kind special event (if included in special event revenue)	-
Other income - from statement of activities	(594)
Realized/unrealized gains/losses	8,596
Investment income	-
Interest	(29,713)
Rental income	-
Pass-through from Junior Achievement USA, if it was exempt from License Fee	(117,050)
Contribution income for improvements to BizTown	-
Actual pledges write-offs	(23,595)

If the following two items are included in the adjusted revenue above, including release from restriction, attach a signed waiver:

* Capital campaign	-
* Scholarships for higher education	<u>(18,141)</u>

Total subject to license fee: \$ 3,296,404

License fee calculated: \$ 80,935  
 (9% of first \$300,000, 1.8% over \$300,000)