

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
JUNIOR ACHIEVEMENT OF TAMPA BAY, INC. AND AFFILIATE
June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Junior Achievement of Tampa Bay, Inc.

We have audited the accompanying consolidated financial statements of Junior Achievement of Tampa Bay, Inc. and Affiliate (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years 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 the consolidated 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 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 audit 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 financial statements. The procedures selected depend on the auditor's 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.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of Tampa Bay, Inc. and Affiliate as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, identified in the Table of Contents, 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.

Tampa, Florida
November 1, 2021

Bucio, Gardner & Company, P.A.

Junior Achievement of Tampa Bay, Inc. and Affiliate
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,350,934	\$ 2,424,898
Grants and other receivables	44,447	15,000
Employee retention credit receivable	215,858	-
Pledges receivable, net of allowance	823,401	754,354
Prepaid expenses	49,255	81,460
Total current assets	3,483,895	3,275,712
LONG-TERM ASSETS		
Investments - scholarships	369,120	271,320
Investments - other	1,354,541	1,125,954
Beneficial interest in assets held by others	543,585	437,947
Long-term pledges receivable, net of allowance	1,111,405	1,460,783
Other receivables	-	24,793
Property and equipment, net of accumulated depreciation	6,820,892	7,069,627
Leveraged note receivable	3,885,637	3,885,637
Total long-term assets	14,085,180	14,276,061
TOTAL ASSETS	\$ 17,569,075	\$ 17,551,773
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of credit	\$ 1,000	\$ 400,000
Accounts payable	27,093	11,054
Deferred revenue	17,114	114,299
Accrued expenses	154,020	54,478
Total current liabilities	199,227	579,831
LONG-TERM LIABILITIES		
Long-term debt, net of issuance costs	5,290,758	5,281,243
Note payable - PPP loans	321,200	321,200
Total long-term liabilities	5,611,958	5,602,443
Total liabilities	5,811,185	6,182,274
NET ASSETS		
Without donor restrictions		
Undesignated	6,263,264	6,264,974
Board designated	1,723,661	1,397,274
Total net assets without donor restrictions	7,986,925	7,662,248
With donor restrictions		
Total net assets	3,770,965	3,707,251
Total net assets	11,757,890	11,369,499
TOTAL LIABILITIES AND NET ASSETS	\$ 17,569,075	\$ 17,551,773

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

Junior Achievement of Tampa Bay, Inc. and Affiliate

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2021
(With comparative totals for the year ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	
			June 30, 2021	June 30, 2020
Public support and revenue				
Contributions				
Corporate	\$ 447,046	\$ -	\$ 447,046	\$ 721,986
Individual	585,116	468,574	1,053,690	1,309,145
Foundations	321,839	-	321,839	298,531
Total contributions	<u>1,354,001</u>	<u>468,574</u>	<u>1,822,575</u>	<u>2,329,662</u>
Special events				
Special events revenue	234,815	-	234,815	173,045
Contributions derived from special events	275,202	-	275,202	264,850
Less direct costs of special events	<u>(69,922)</u>	<u>-</u>	<u>(69,922)</u>	<u>(85,836)</u>
Net special events	<u>440,095</u>	<u>-</u>	<u>440,095</u>	<u>352,059</u>
Governmental income	11,216	-	11,216	9,948
Program revenue	54,999	-	54,999	461,744
Interest and dividend income	78,533	3,622	82,155	89,042
Realized and unrealized gain on investments, net	69,215	305,263	374,478	1,849
In-kind contributions	914,161	-	914,161	10,000
Other revenue	4,864	-	4,864	-
Net assets released from restrictions	<u>713,745</u>	<u>(713,745)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,846,733</u>	<u>(404,860)</u>	<u>1,441,873</u>	<u>572,583</u>
Total support and revenue	<u>3,640,829</u>	<u>63,714</u>	<u>3,704,543</u>	<u>3,254,304</u>
Expenses				
Program services	<u>3,418,318</u>	<u>-</u>	<u>3,418,318</u>	<u>3,305,189</u>
Support services				
Management and general	275,927	-	275,927	256,178
Fundraising	<u>158,965</u>	<u>-</u>	<u>158,965</u>	<u>187,306</u>
Total support services	<u>434,892</u>	<u>-</u>	<u>434,892</u>	<u>443,484</u>
Total expenses	<u>3,853,210</u>	<u>-</u>	<u>3,853,210</u>	<u>3,748,673</u>
Change in net assets from operations	(212,381)	63,714	(148,667)	(494,369)
PPP loan forgiveness (note J)	321,200	-	321,200	-
Employee retention credits (note C)	<u>215,858</u>	<u>-</u>	<u>215,858</u>	<u>-</u>
Change in net assets	324,677	63,714	388,391	(494,369)
Net assets at beginning of year	<u>7,662,248</u>	<u>3,707,251</u>	<u>11,369,499</u>	<u>11,863,868</u>
Net assets at end of year	<u>\$ 7,986,925</u>	<u>\$ 3,770,965</u>	<u>\$ 11,757,890</u>	<u>\$ 11,369,499</u>

The accompanying notes are an integral part of this consolidated statement.

Junior Achievement of Tampa Bay, Inc. and Affiliate

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Contributions			
Corporate	\$ 448,522	\$ 273,464	\$ 721,986
Individual	994,385	314,760	1,309,145
Foundations	298,531	-	298,531
Total contributions	<u>1,741,438</u>	<u>588,224</u>	<u>2,329,662</u>
Special events			
Special events revenue	173,045	-	173,045
Contributions derived from special events	264,850	-	264,850
Less direct costs of special events	<u>(85,836)</u>	<u>-</u>	<u>(85,836)</u>
Net special events	<u>352,059</u>	<u>-</u>	<u>352,059</u>
Governmental income	9,948	-	9,948
Program revenue	461,744	-	461,744
Interest and dividend income	85,623	3,419	89,042
Realized and unrealized gain (loss) on investments, net	(8,268)	10,117	1,849
In-kind contributions	10,000	-	10,000
Net assets released from restrictions	<u>722,556</u>	<u>(722,556)</u>	<u>-</u>
Total revenue	<u>1,281,603</u>	<u>(709,020)</u>	<u>572,583</u>
Total support and revenue	<u>3,375,100</u>	<u>(120,796)</u>	<u>3,254,304</u>
Expenses			
Program services	<u>3,305,189</u>	<u>-</u>	<u>3,305,189</u>
Support services			
Management and general	256,178	-	256,178
Fundraising	<u>187,306</u>	<u>-</u>	<u>187,306</u>
Total support services	<u>443,484</u>	<u>-</u>	<u>443,484</u>
Total expenses	<u>3,748,673</u>	<u>-</u>	<u>3,748,673</u>
Change in net assets	(373,573)	(120,796)	(494,369)
Net assets at beginning of year	<u>8,035,821</u>	<u>3,828,047</u>	<u>11,863,868</u>
Net assets at end of year	<u>\$ 7,662,248</u>	<u>\$ 3,707,251</u>	<u>\$ 11,369,499</u>

The accompanying notes are an integral part of this consolidated statement.

Junior Achievement of Tampa Bay, Inc. and Affiliate
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended June 30,

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 388,391	\$ (494,369)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	404,329	377,717
Net realized and unrealized gains on investment securities	(374,478)	(1,849)
Net loss (earnings) on beneficial assets held by others	(105,638)	4,690
Bad debt expense	13,713	187,555
Long-term pledges written off against allowance for doubtful accounts	19,238	163,439
PPP loan forgiveness	(321,200)	-
(Increase) decrease in grants and contracts receivable	(29,447)	535,520
Decrease (increase) in pledges receivable	247,380	(455,969)
Increase in other receivables	(191,064)	(3,775)
Decrease in prepaid expenses	32,205	15,001
Increase (decrease) in accounts payable	16,039	(180,366)
(Decrease) increase in deferred revenue	(97,185)	113,075
Increase (decrease) in accrued expenses	99,542	(50,706)
Total adjustments	(286,566)	704,332
Net cash provided by operating activities	101,825	209,963
Cash flows from investing activities		
Cash payments for the purchase of property and equipment	(146,080)	(385,193)
Proceeds from sale of investments and maturities of certificates of deposit	48,091	61,520
Net cash used in investing activities	(97,989)	(323,673)
Cash flows from financing activities		
Proceeds from line of credit	-	399,000
Payments on line of credit	(399,000)	-
Proceeds from PPP loan	321,200	321,200
Net cash (used) provided in financing activities	(77,800)	720,200
Net (decrease) increase in cash and cash equivalents	(73,964)	606,490
Cash and cash equivalents at beginning of year	2,424,898	1,818,408
Cash and cash equivalents at end of year	\$ 2,350,934	\$ 2,424,898

The accompanying notes are an integral part of this consolidated statement.

Junior Achievement of Tampa Bay, Inc. and Affiliate
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

For the year ended June 30,

	<u>2021</u>	<u>2020</u>
Supplemental disclosures of cash flow information		
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ 59,972</u>	<u>\$ 59,779</u>

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

Junior Achievement of Tampa Bay, Inc. and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021
(With comparative totals for the year ended June 30, 2020)

	Program Services	Supporting Services			Total Expenses	
		Management and General	Fundraising	Total Support Services	June 30, 2021	June 30, 2020
Salaries	\$ 1,096,620	\$ 197,547	\$ 101,852	\$ 299,399	\$1,396,019	\$1,585,582
Payroll taxes and employee benefits	198,150	24,274	19,428	43,702	241,852	430,859
Total salaries and related expenses	<u>1,294,770</u>	<u>221,821</u>	<u>121,280</u>	<u>343,101</u>	<u>1,637,871</u>	<u>2,016,441</u>
Insurance	71,870	730	522	1,252	73,122	65,335
Maintenance, telephone, and utilities	146,875	8,498	17,161	25,659	172,534	229,266
Rent	23,811	-	-	-	23,811	19,861
In-kind expenses	914,161	-	-	-	914,161	10,000
Office supplies and postage	9,230	1,320	1,070	2,390	11,620	18,451
Volunteer and staff training and recognition	10,940	500	1,501	2,001	12,941	76,193
Public relations	230	-	-	-	230	3,951
Program materials	135,308	-	-	-	135,308	326,376
Franchise fees	274,975	-	-	-	274,975	234,312
Professional fees	24,631	3,340	906	4,246	28,877	38,630
Scholarships	18,500	-	-	-	18,500	20,152
Contract program expenses	9,828	-	-	-	9,828	-
Bad debt expense	13,713	-	-	-	13,713	187,555
Office expenses	<u>41,563</u>	<u>6,830</u>	<u>13,025</u>	<u>19,855</u>	<u>61,418</u>	<u>64,654</u>
Total expenses before depreciation, amortization and interest expense	2,990,405	243,039	155,465	398,504	3,388,909	3,311,177
Depreciation and amortization	371,691	29,138	3,500	32,638	404,329	377,717
Interest expense	<u>56,222</u>	<u>3,750</u>	<u>-</u>	<u>3,750</u>	<u>59,972</u>	<u>59,779</u>
Total expenses	<u>\$ 3,418,318</u>	<u>\$ 275,927</u>	<u>\$ 158,965</u>	<u>\$ 434,892</u>	<u>\$3,853,210</u>	<u>\$3,748,673</u>

The accompanying notes are an integral part of this consolidated statement.

Junior Achievement of Tampa Bay, Inc. and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2020

	Program Services	Supporting Services		Total Support Services	Total Expenses
		Management and General	Fundraising		
Salaries	\$ 1,316,919	\$ 159,197	\$ 109,466	\$ 268,663	\$1,585,582
Payroll taxes and employee benefits	366,232	30,160	34,467	64,627	430,859
Total salaries and related expenses	1,683,151	189,357	143,933	333,290	2,016,441
Insurance	58,201	4,549	2,585	7,134	65,335
Maintenance, telephone, and utilities	207,164	11,051	11,051	22,102	229,266
Rent	19,861	-	-	-	19,861
In-kind expenses	10,000	-	-	-	10,000
Office supplies and postage	14,763	1,844	1,844	3,688	18,451
Volunteer and staff training and recognition	64,963	3,581	7,649	11,230	76,193
Public relations	3,951	-	-	-	3,951
Program materials	326,376	-	-	-	326,376
Franchise fees	234,312	-	-	-	234,312
Professional fees	29,440	6,306	2,884	9,190	38,630
Scholarships	20,152	-	-	-	20,152
Contract program expenses	-	-	-	-	-
Bad debt expense	187,555	-	-	-	187,555
Office expenses	41,983	7,757	14,914	22,671	64,654
Total expenses before depreciation and amortization	2,901,872	224,445	184,860	409,305	3,311,177
Depreciation and amortization	347,288	27,983	2,446	30,429	377,717
Interest expense	56,029	3,750	-	3,750	59,779
Total expenses	\$ 3,305,189	\$ 256,178	\$ 187,306	\$ 443,484	\$3,748,673

The accompanying notes are an integral part of this consolidated statement.

Junior Achievement of Tampa Bay, Inc. and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of Organization

Junior Achievement of Tampa Bay, Inc. (“JATB”) 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. JATB accomplishes this mission through its learning experiences to help prepare our future work force. Funding for JATB's activities and programs is obtained through public contributions and fundraising activities. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

JATB is headquartered in Tampa, Florida, with responsibilities for Pinellas, Hillsborough, Hernando, Polk, Sarasota, Manatee, Pasco, Alachua, Marion, Levy, Highlands, Sumter and Citrus Counties.

JATB operates JA BizTown and JA Finance Park in Hillsborough County designed to inspire students to become successful in their economic future through financial literacy, career readiness and entrepreneurship learning experiences. In August 2020, JATB implemented the 3DE model at 4 bay area high schools to address the inequities that exist in education. Through strategic partnerships with Hillsborough and Pinellas County school districts and the broader business community, 3DE links standards-based learning with project based education to drive student engagement and academic outcomes. Focused on building core competencies and higher order transferrable skills, 3DE is designed to provide economic opportunity to all students.

In August 2017, Junior Achievement Finance Park Tampa Bay, Inc. (“Finance Park”) was formed to accept the funds from a New Markets Tax Credit (NMTC) transaction. The financial activities of JATB and Finance Park (collectively the “Organization”) have been consolidated in this financial statement. All transactions and related account balances between the Organization, have been eliminated in these consolidated financial statements.

2. Basis of Accounting

The consolidated 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:

Net assets without donor restrictions consist of unrestricted amounts that are available for use in carrying out the operations of the Organization.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net assets with donor restrictions represent those amounts which are not available until future periods, are donor restricted for specific purpose, or are subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization. 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 statement of activities as net assets released from restrictions. Assets represent those amounts.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions 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 net assets without donor restrictions. The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

3. New Accounting Pronouncements

During fiscal year 2020, the Organization adopted ASU 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made* as well as ASU 2014-09 *Revenue from Contracts with Customers*. The Organization adopted ASU 2018-08 and 2014-09 using the retrospective method. The adoption of these standards did not result in significant changes to the Organization's accounting policies or impact its financial position, results of operations, or cash flows. As such, prior period financial statements were not restated and there was no cumulative effect adjustment upon adoption.

4. 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.

5. 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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the earnings are recognized.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. 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 net assets with donor restrictions and net assets without donor restrictions depending upon the existence or nature of any donor stipulations. In the absence of donor stipulations, contributions are reported as increases to net assets without donor restrictions.

7. Beneficial Interest in Assets Held by Others

The Organization has transferred assets to several community foundations which hold funds for its benefit. When a nonprofit transfers assets to a charitable trust or community foundation in which the resource provider names itself as beneficiary, the economic benefit of the transferred assets remains with the resource provider. The assets received in exchange are beneficial interests in assets held by others, measured at the fair value of the assets contributed.

8. 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. 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 (US GAAP), 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.

9. Debt Issuance Costs

Debt issuance costs represent costs associated with the issuance of long-term debt in connection with the New Market Tax Credit transaction (see Note R). These costs are being amortized over the life of the debt using the straight-line method. Amortization expense totaled approximately \$10,000 during the years ended June 30, 2021 and 2020, respectively.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. 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.

The Organization occupied donated space for its operations and estimated the fair value of the annual rent to be \$0 and \$10,000 for the years ended June 30, 2021 and 2020, respectively. The Organization also received contracted services as an in-kind contribution as part of its implementation of the 3DE model valued at \$914,161 during the year ended June 30, 2021. Donated services and materials are included in contributions and expenses on the statement of activities and changes in net assets for the years ended June 30, 2021 and 2020.

11. 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 Q.

12. Income Taxes

The Organization is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Accounting for Uncertainty in Income Taxes* (ASC 740), 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 2017 are open for examination. The Organization does not believe it has any unrecognized exposure relating to uncertain tax positions at June 30, 2021.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

13. 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.

14. Functional Allocation of Expenses

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Expenses that benefit multiple functional areas have been allocated across programs, general and administrative, and fundraising expenses based on the proportion of employee time involved, space used, and relative benefit provided.

Expenses allocated based on the proportion of employee time involved include salaries and wages, payroll taxes, employee insurance, and pension and annuity expenses. Expenses allocated on the basis of space used include equipment rent, rent, and occupancy expenses. Expenses allocated based on the relative benefit provided include insurance, maintenance, telephone, utilities, office supplies and postage, professional fees, and volunteer and staff training expenses.

15. Funding and Credit Concentrations

The Organization maintains its primary deposit accounts with two commercial banks and one brokerage firm. Deposits with the commercial banks exceeded federal deposit insurance limits by \$1,110,790 and \$1,264,717 at June 30, 2021 and 2020, respectively. Cash equivalents held at a brokerage firm that are not federally insured totaled \$81,424 and \$154,001 at June 30, 2021 and 2020, respectively.

Credit risk related to pledges receivable is alleviated due to the large number of individual and corporate donors. However, amounts due from four donors accounted for 32% and 26% of pledges receivable at June 30, 2021 and 2020, respectively.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE B - PLEDGES RECEIVABLE

The following schedule presents when pledges receivable at June 30, 2021 and 2020 are due:

	<u>2021</u>	<u>2020</u>
Collectible in one year		
Contributions	\$ 419,173	\$ 372,793
JA BizTown	197,500	180,000
Finance Park	240,088	242,869
Collectible in two to five years		
Contributions	536,589	756,121
JA BizTown	197,500	280,000
Finance Park	451,525	443,615
Collectible in five years and beyond		
Contributions	4,373	5,723
Finance Park	25,000	100,000
Less discount to present value of collectible amounts		
Contributions	(14,740)	(11,428)
JA BizTown	(5,437)	(4,200)
Finance Park	(9,161)	(8,154)
Less allowance for doubtful accounts		
Contributions	<u>(107,605)</u>	<u>(142,202)</u>
	<u>\$ 1,934,806</u>	<u>\$ 2,215,137</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 rate of return utilized to discount future cash flows from pledges ranges from 1.50% to 2.50%.

The Organization has provided an allowance for doubtful accounts of \$107,605 and \$142,202 at June 30, 2021 and 2020, respectively. The Organization wrote off \$19,238 and \$163,439 of uncollectible pledges to the allowance for doubtful accounts during the years ended June 30, 2021 and 2020, respectively.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE C - EMPLOYEE RETENTION CREDITS

During the year ended June 30, 2021, the Organization applied for an Employee Retention Credit ("ERC"). The ERC, which was established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and further amended by the Consolidated Appropriations Act ("CAA") and the American Rescue Plan ("ARP"), is a credit against certain payroll taxes allowed to an eligible employer for qualifying wages. For the year ended June 30, 2021, the Organization has recognized \$215,858 as revenue and receivable for ERC credits that have been applied for and are expected to be received during fiscal year 2022.

NOTE D - LEVERAGED NOTE RECEIVABLE

Leveraged note receivable consist of the following at June 30,:

	<u>2021</u>	<u>2020</u>
Note Receivable from an investment fund in the amount of \$3,885,637, dated August 18, 2017, with an interest rate of 1.05% per annum, interest payments of \$41,179 due yearly through December 31, 2024, principal and interest payments of \$191,200 due beginning January 1, 2025 and ending at the date of maturity (August 31, 2047), secured by first interest in pledge securities.	\$ 3,885,637	\$ 3,885,637
Less current portion	<u>-</u>	<u>-</u>
	<u>\$ 3,885,637</u>	<u>\$ 3,885,637</u>

Maturities on the leveraged note receivable are as follows:

<u>Year ending June 30,</u>	
2022	\$ -
2023	-
2024	-
2025	-
2026	75,110
Thereafter	<u>3,810,527</u>
	<u>\$ 3,885,637</u>

See Note R for discussion on New Market Tax Credit Transaction.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE E - INVESTMENTS

At June 30, 2021 and 2020, the cost and fair value of investments, which were held in safekeeping by a financial institution, were as follows:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Corporate bonds	\$ 79,483	\$ 81,039	\$ 114,875	\$ 118,755
Exchange traded funds	1,159,672	1,642,622	1,059,780	1,278,519
	<u>\$ 1,239,156</u>	<u>\$ 1,723,661</u>	<u>\$ 1,174,655</u>	<u>\$ 1,397,274</u>

The Organization's investments in exchange traded funds and corporate 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:

	2021	2020
Investments - scholarship	\$ 369,120	\$ 271,320
Investment - other	1,354,541	1,125,954
	<u>\$ 1,723,661</u>	<u>\$ 1,397,274</u>

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2021 and 2020:

	2021	2020
Building	\$ 7,902,318	\$ 7,762,969
Land	73,892	73,892
Equipment	974,084	972,914
Furniture and fixtures	217,823	212,261
Software	50,000	50,000
Total before accumulated depreciation	<u>9,218,117</u>	<u>9,072,036</u>
Less accumulated depreciation	<u>(2,397,225)</u>	<u>(2,002,409)</u>
	<u>\$ 6,820,892</u>	<u>\$ 7,069,627</u>

Depreciation expense totaled \$394,815 and \$368,203 during the years ended June 30, 2021 and 2020, respectively.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE G - 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 \$44,822 and \$42,177 for the years ended June 30, 2021 and 2020, respectively.

Junior Achievement of Tampa Bay, Inc. leases approximately 18,000 sq. feet of facilities from Junior Achievement Finance Park of Tampa Bay, Inc. under a non-cancellable leasing agreement. The agreement expires in August 2047. The related revenues and corresponding expenses have been eliminated in consolidation.

The following is a schedule of approximate minimum annual lease payments under noncancelable operating leases as of June 30, 2021:

<u>Year ending June 30,</u>	
2022	\$ 40,120
2023	25,400
2024	20,453
2025	<u>6,765</u>
	<u>\$ 92,738</u>

Pursuant to a facilities agreement with the School District of Hillsborough County, the Organization is the recipient of approximately two acres of property for the construction and operation of JA BizTown and Finance Park. 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 and Finance Park, 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 \$1,756 for the years ended June 30, 2021 and 2020, respectively.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE H - LINE OF CREDIT

During the year ended June 30, 2019, the Organization and a financial institution agreed to convert a bridge loan into a \$500,000 revolving line of credit with interest payments at one-month LIBOR rate plus 1.65% and a maturity of August 18, 2022. The line is secured by assignment of revenue, capital campaign pledges receivables and sponsorship receivables for Junior Achievement Finance Park. Drawings on this line of credit totaled \$1,000 and \$400,000 at June 30, 2021 and 2020, respectively.

NOTE I - LONG-TERM DEBT

Long-term debt consists of the following at June 30,:

	<u>2021</u>	<u>2020</u>
Note payable to a private investment group in the amount of \$2,426,437 dated August 18, 2017 (note A1), interest at a fixed rate of 1% per annum, interest payments of \$6,066 due quarterly, with fixed quarterly payments of principal and interest of \$29,652 due beginning January 1, 2025 and ending at the date of maturity (August 31, 2047), secured by security agreement, assignment of leases and rents.	\$ 2,426,437	\$ 2,426,437
Note payable to a private investment group in the amount of \$1,459,200 dated August 18, 2017 (note A2), interest at a fixed rate of 1% per annum, interest payments of \$3,648 due quarterly, with fixed quarterly of principal and interest of \$17,382 due beginning January 1, 2025 and ending at the date of maturity (August 31, 2047), secured by security agreement, assignment of leases and rents.	1,459,200	1,459,200
Note payable to a private investment group in the amount of \$1,323,563 dated August 18, 2017 (note B1), interest at a fixed rate of 1% per annum, interest payments of \$3,039 due quarterly, with fixed quarterly payments of principal and interest of \$16,174 due beginning January 1, 2025 and ending at the date of maturity (August 31, 2047), secured by security agreement, assignment of leases and rents.	1,323,563	1,323,563

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE I - LONG-TERM DEBT – Continued

	<u>2021</u>	<u>2020</u>
Note payable to a private investment group in the amount of \$520,800 dated August 18, 2017 (note B2), interest at a fixed rate of 1% per annum, interest payments of \$1,302 due quarterly, with fixed quarterly payments of principal and interest of \$6,364 due beginning January 1, 2025 and ending at the date of maturity (August 31, 2047), secured by security agreement, assignment of leases and rents.	520,800	520,800
	<u>5,730,000</u>	<u>5,730,000</u>
Less current portion	-	-
Less unamortized loan costs	<u>(439,242)</u>	<u>(448,757)</u>
	<u>\$ 5,290,758</u>	<u>\$ 5,281,243</u>

Principal maturities of long-term debt are as follows:

<u>Year ending June 30,</u>	
2022	\$ -
2023	-
2024	-
2025	-
2026	111,533
Thereafter	<u>5,618,467</u>
	<u>\$ 5,730,000</u>

See Note R for discussion on New Market Tax Credit Transaction.

NOTE J - NOTE PAYABLE - PPP LOANS

In April 2020, the Organization received a \$321,200 U.S. Small Business Administration (SBA) Paycheck Protection Program (“PPP”) loan for companies who continued to pay their employees during the COVID-19 crisis (see note T). The Organization can apply for loan forgiveness for the amount used for payroll and other specific costs outlined in the loan agreement. The loan was forgiven in December 2020 and the proceeds were recognized as revenue in the Statement of Activities and Changes in Net Assets for the year ended June 30, 2021.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE J - NOTE PAYABLE - PPP LOANS - Continued

In January 2021, the Organization received a \$321,200 second draw PPP loan. The Organization can apply for loan forgiveness for the amount used for payroll and other specific costs outlined in the loan agreement. The Organization plans to file for forgiveness in accordance with the terms of the agreement and anticipates a significant portion being forgiven. Any debt not forgiven, or loan proceeds not returned, will turn into a term loan payable at 1% interest over two years. See Note U - Subsequent Events.

NOTE K - EMPLOYEE BENEFIT PLANS

1. Multiemployer Pension Plan (Terminated effective June 30, 2019)

Prior to June 30, 2019, the Organization offered a noncontributory defined benefit pension plan (the Plan) to its employees. The Plan was administered by the Organization and covered all full-time employees of the Organization, JA Worldwide, Inc. and participating Junior Achievement Areas in the United States. Benefits were determined based on years of service and salary history. Plan's 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 Organization and participating Junior Achievement Areas made contributions to the plan equal to 16.75% of participants' eligible compensation. The Organization recognized, as net pension cost, the required contribution for the period and recognized, as a liability, any contributions due and unpaid. There is no recognition of the funded status of the Plan in the financial statements of the Organization.

Effective June 30, 2019, the Board of Directors of the 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 Organization 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 of approximately \$5.5 million at June 30, 2021 and 2020, are restricted for additional, future termination and other required administrative expenses. Approximately \$4 million of the plan's assets are expected to be a return of capital to JA USA for the collateral that JA USA transferred to fund and close the revolving line of credit necessary to terminate the plan.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE K - EMPLOYEE BENEFIT PLANS - Continued

Upon the conclusion of any necessary administrative proceedings and the final review by the Pension Benefit Guarantee Corporation (PBGC), any remaining Plan assets will first be used to pay any final administrative costs, next will be used to repay advances from JA USA, described above, and lastly, will be distributed to participating employers on a pro-rata basis. The timing and results of these administrative proceedings and PBGC's final review are uncertain, and as a result, the Organization cannot reasonably estimate, and thus has not recorded, any pro-rata amounts receivable from the Plan at June 30, 2021.

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

Plan Information

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

	<u>2021</u>	<u>2020</u>
Benefit obligation	\$ -	\$ -
Fair value of Plan assets	<u>5,479,154</u>	<u>5,479,154</u>
Over/(Under)funded status	<u>\$ 5,479,154</u>	<u>\$ 5,479,154</u>
Accumulated benefit obligation	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2019, Plan participant's benefits were frozen. Significant assumptions included:

Weighted-average assumptions used to determine benefit obligations at June 30, 2019:

Discount rate	3.50%
Rate of compensation increase	N/A

Weighted-average assumptions used to determine benefit costs at June 30, 2019:

Discount rate	3.50%
Expected rate of return on Plan assets	0.00%
Rate of compensation increase	N/A

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE K - EMPLOYEE BENEFIT PLANS - Continued

2. Health and Welfare Benefits Trust

The Organization has a self-funded medical, dental and other benefits plan covering full-time employees of the Organization and their beneficiaries and covered dependents. The plan is accounted for like a multi-employer plan. Premiums are paid into the Health and Welfare Plan for each participant by the participating employers. Employees of the Organization and employees of Junior Achievement Areas in the United States can participate in the Health and Welfare Plan.

All the assets and liabilities of the Health and Welfare Plan are held in the Junior Achievement USA Health and Welfare Benefits Trust (Benefits Trust). Accordingly, no balances or transactions of the Benefits Trust are recorded in the financial statements of the Organization.

The following represents summarized financial information pertaining to the Benefits Trust as of and for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Assets	\$ 8,390,233	\$ 7,396,305
Liabilities	<u>175,974</u>	<u>423,603</u>
Net assets	<u>\$ 8,214,259</u>	<u>\$ 6,972,702</u>
Additions to net assets	\$ 9,562,947	\$ 9,423,270
Deductions from net assets	<u>8,321,390</u>	<u>8,993,727</u>
Change in net assets	1,241,557	429,543
Net assets, beginning of year	<u>6,972,702</u>	<u>6,543,159</u>
Net assets, end of year	<u>\$ 8,214,259</u>	<u>\$ 6,972,702</u>

In addition to the summarized financial information presented above, the Benefits Trust also reports in the notes to the April 30, 2021 and 2020 audited financial statements, claims payable of \$170,780 and \$238,990, respectively, and claims incurred but not reported of \$543,622 and \$567,531, respectively. The obligation for claims incurred but not reported is not recorded in the Benefits Trust's statements of net assets available for benefits.

Postretirement Benefits Plan

The Health and Welfare Plan also offers health care benefits to retired personnel of the participating employees. This creates an implicit rate subsidy, which is considered to be a postretirement benefit.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE K - EMPLOYEE BENEFIT PLANS - Continued

Management of the Organization does not believe the implicit rate subsidy amount to be material to the Organization, especially since the Plan is a multi-employer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the financial statements of the Organization.

Total Post-Retirement Plan Information

A June 30th measurement date is used for the Post-Retirement Plan. Significant balances, costs and assumptions are:

	<u>2021</u>	<u>2020</u>
Benefit obligation	\$ (8,402,426)	\$ (8,542,169)
Fair value of Plan assets	<u>-</u>	<u>-</u>
Underfunded status	<u>\$ (8,402,426)</u>	<u>\$ (8,542,169)</u>
Accumulated benefit obligation	<u>\$ (8,402,426)</u>	<u>\$ (8,542,169)</u>

Weighted-average assumptions used to determine benefit obligations at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Discount rate	3.00%	2.75%
Rate of compensation increase	3.00%	2.50%

Weighted-average assumptions used to determine benefit costs at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Discount rate	2.75%	3.50%
Rate of compensation increase	2.50%	3.00%

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE K - EMPLOYEE BENEFIT PLANS - Continued

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2021:

2022	\$	315,398
2023	\$	336,749
2024	\$	322,931
2025	\$	329,096
2026	\$	356,855
2027 to 2031	\$	2,079,936

The organizations premium expense for the Health and Welfare Plan for the years ended June 30, 2021 and 2020 was \$36,697 and \$166,495, respectively.

NOTE L - NET ASSETS

1. Net Assets without Donor Restrictions

Net assets without donor restrictions are net assets not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. These net assets are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

The Organization's net assets without donor restrictions consists of the following at June 30,:

	<u>2021</u>	<u>2020</u>
Undesignated:		
Junior Achievement of Tampa Bay	\$ 6,467,955	\$6,271,985
Junior Achievement Finance Park of Tampa Bay	(204,691)	(7,011)
Total undesignated	<u>6,263,264</u>	<u>6,264,974</u>
Board designated:		
Scholarships	369,120	271,320
General program use	1,354,541	1,125,954
Total board designated	<u>1,723,661</u>	<u>1,397,274</u>
 Total net assets without donor restrictions	 <u><u>\$ 7,986,925</u></u>	 <u><u>\$7,662,248</u></u>

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE L - NET ASSETS - Continued

2. Net Assets with Donor Restrictions

Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations, that may become undesignated by the passage of time, or that require net assets to be permanently maintained, thereby restricting the use of principal. Once donor-imposed restrictions are satisfied, the net assets are then released and reclassified to net assets without donor restrictions.

The Organization's net assets with donor restrictions consists of the following at June 30,:

	<u>2021</u>	<u>2020</u>
Net assets subject to expenditure for a specified purpose:		
Biztown	\$ 389,563	\$ 455,800
Finance Park	707,451	778,330
Districts and other purposes	<u>1,292,574</u>	<u>1,054,167</u>
Total Net assets subject to expenditure for a specified purpose	2,389,588	2,288,297
Endowments subject to the Organization's spending policy and appropriation:		
Invested in perpetuity	342,793	342,793
Earnings on endowments invested in perpetuity	<u>200,792</u>	<u>95,154</u>
Total endowments subject to the Organization's spending policy and appropriation	543,585	437,947
Net assets subject to the passage of time:		
General support pledge receivables	<u>837,792</u>	<u>981,007</u>
Total net assets subject to the passage of time	<u>837,792</u>	<u>981,007</u>
Total Net assets with donor restrictions	<u><u>\$ 3,770,965</u></u>	<u><u>\$3,707,251</u></u>

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE L - NET ASSETS - Continued

3. 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:

	<u>2021</u>	<u>2020</u>
Net assets released due to purpose or period restrictions accomplished:		
Biztown	\$ 145,000	\$ 160,000
Finance Park	224,195	336,973
Districts	<u>344,550</u>	<u>225,583</u>
Net assets released due to purpose or period restrictions accomplished	713,745	722,556
Net assets released due to the passage of time:		
Collections on pledges	<u>-</u>	<u>-</u>
Total net assets released due to the passage of time	<u>-</u>	<u>-</u>
 Total net assets released from restrictions	 <u>\$ 713,745</u>	 <u>\$ 722,556</u>

NOTE M - 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.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE M - TRANSACTIONS WITH JUNIOR ACHIEVEMENT, USA - Continued

The Organization made payments to Junior Achievement, USA during the year for the following items:

	<u>2021</u>	<u>2020</u>
Program materials	\$ 1,500	\$ 93,538
License fees	274,975	234,312
Life and health insurance	111,211	123,931
Business liability insurance	18,255	16,782
Pension costs	-	166,495
	<u>\$ 405,941</u>	<u>\$ 635,058</u>

NOTE N - RELATED PARTIES

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, 2021 and 2020 were \$0 and approximately \$50,000, respectively.

The Organization maintains funds at certain financial institutions where members of the Board of Directors are employed.

NOTE O - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests excess cash with a financial institution. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$500,000. Additionally, the Organization has Board Designated net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than identified, the amounts could be made available for current operations if necessary.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE O - LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,350,934	\$ 2,424,898
Pledges receivable	1,934,806	2,215,137
Grants and contracts receivable	44,447	15,000
Investments	<u>2,267,246</u>	<u>1,835,221</u>
Total financial assets available within one year	6,597,433	6,490,256
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	2,389,588	2,288,297
Restricted by time	837,792	981,007
Restricted by donors in perpetuity	<u>543,585</u>	<u>437,947</u>
Total amounts unavailable for general expenditures within one year	<u>3,770,965</u>	<u>3,707,251</u>
Amounts unavailable to management without Board's approval:		
Board designated for scholarships	369,120	271,320
Board designated for program use	<u>1,354,541</u>	<u>1,125,954</u>
Total amounts unavailable to management without Board's approval	<u>1,723,661</u>	<u>1,397,274</u>
Total financial assets available to management for expenditure within one year	<u>\$ 1,102,807</u>	<u>\$ 1,385,731</u>

NOTE P - 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.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE P - FAIR VALUE MEASUREMENTS - Continued

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 I 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. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE P - FAIR VALUE MEASUREMENTS - Continued

Fair value of assets measured on a recurring basis at June 30, 2021 and 2020 was as follows:

Description	Fair Value Measurements at Reporting Date Using			
	Assets Measured at Fair Value at June 30, 2021	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange traded funds				
Equities - international	\$ 305,189	\$ 305,189	\$ -	\$ -
Equities - domestic	756,120	756,120	-	-
Fixed income	581,313	581,313	-	-
Corporate bonds	81,039	-	81,039	-
Total investments	1,723,661	1,642,622	81,039	-
Funds held in trust	543,585	-	543,585	-
	<u>\$ 2,267,246</u>	<u>\$ 1,642,622</u>	<u>\$ 624,624</u>	<u>\$ -</u>

Description	Fair Value Measurements at Reporting Date Using			
	Assets Measured at Fair Value at June 30, 2020	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange traded funds				
Equities - international	\$ 144,018	\$ 144,018	\$ -	\$ -
Equities - domestic	605,520	605,520	-	-
Fixed income	528,981	528,981	-	-
Corporate bonds	118,755	-	118,755	-
Total investments	1,397,274	1,278,519	118,755	-
Funds held in trust	437,947	-	437,947	-
	<u>\$ 1,835,221</u>	<u>\$ 1,278,519</u>	<u>\$ 556,702</u>	<u>\$ -</u>

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE Q - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interests in assets held by others had fair values of \$543,585 and \$437,947 at June 30, 2021 and 2020, respectively.

Changes in the beneficial interest in assets held by others for the year ended June 30, 2021 are as follows:

	Donor Restrictions	With Donor Restrictions		Total
		Held Temporarily	Held in Perpetuity	
Endowment net assets, beginning of year	\$ -	\$ 95,154	\$ 342,793	\$ 437,947
Contributions	-	-	-	-
Investment income (expense)	-	(7,482)	-	(7,482)
Net appreciation (realized and unrealized)	-	113,120	-	113,120
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 200,792</u>	<u>\$ 342,793</u>	<u>\$ 543,585</u>

Changes in the beneficial interest in assets held by others for the year ended June 30, 2020 are as follows:

	Donor Restrictions	With Donor Restrictions		Total
		Held Temporarily	Held in Perpetuity	
Endowment net assets, beginning of year	\$ -	\$ 99,844	\$ 342,793	\$ 442,637
Contributions	-	-	-	-
Investment income (expense)	-	3,865	-	3,865
Net appreciation (realized and unrealized)	-	(8,555)	-	(8,555)
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 95,154</u>	<u>\$ 342,793</u>	<u>\$ 437,947</u>

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE Q - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS - Continued

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 US GAAP. They 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. The Organization has reinvested all net earnings into the respective funds for the years ended June 30, 2021 and 2020. If the Organization chooses to request a grant distribution, it must be used in accordance with the terms of the agreement with the Community Foundation.

NOTE R - NEW MARKET TAX CREDIT TRANSACTION

On August 18, 2017, Junior Achievement Finance Park Tampa Bay, Inc., a supporting organization for Junior Achievement of Tampa Bay, Inc., obtained financing through the utilization of the federal New Markets Tax Credit (NMTC) program. The proceeds of \$5,730,000 in "qualified low-income community investment" proceeds will be used to build and equip Finance Park.

The NMTC financing is provided through two "qualified low-income community investment" loans in the form of a "A1", "A2", "B1" and a "B2" note. The cumulative A1 and A2 Notes (the "A Notes"), in the amount of \$3,885,637 are at a fixed rate of 1.0000% per annum and require quarterly principal and interest payments of \$9,654 with a maturity date of August 31, 2047. No prepayment of the A Notes is allowed during the first seven years.

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE R - NEW MARKET TAX CREDIT TRANSACTION - Continued

The cumulative B1 and B2 Notes (the “B Notes”), in the amount of \$1,844,363 are at a fixed rate of 1.0000% per annum and require quarterly principal and interest payments of \$4,461 with a maturity date of August 31, 2047. No prepayment of the B Notes is allowed during the first seven years.

In addition, Junior Achievement of Tampa Bay, Inc. initiated a leverage loan in the amount of \$3,885,637 (the “Leverage Loan”) to JA Tampa Bay Investment Fund, LLC, a Georgia limited liability company (the “Fund”). One hundred percent (100%) of the membership interests in the Fund are owned by SunTrust Community Capital (“STCC”), and the Fund is capitalized through the tax credit equity from STCC.

Proceeds of the Leverage Loan along with tax credit equity were used by the Fund to initiate a “qualified equity investment” into two subsidiaries of community development entities (the “CDEs”). The CDEs, in turn, utilized a substantial portion of the ‘qualified equity investments” in order to initiate the “qualified low-income community investments” to Junior Achievement Finance Park Tampa Bay, Inc. The Leverage Loan has a term of 30 years at a rate of 1.05977% per annum and requires interest only payments to the Organization of \$41,179 annually.

At the end of the seven-year NMTC compliance period, a put option under a put/call option agreement may be exercised at the discretion of STCC whereby the interest in the Fund is sold to Junior Achievement of Tampa Bay, Inc. for \$1,000.

Alternatively, at the end of the seven year NMTC compliance period, a call option under a put/call option agreement may be exercised at the discretion of Junior Achievement of Tampa Bay, Inc. whereby the interest in the Fund is sold to Junior Achievement of Tampa Bay, Inc. for the fair market value of the Fund.

Principal maturities of the cumulative A1, A2, B1, and B2 notes, net of payments to be received from the leveraged note receivable are as follows:

<u>Year ending June 30,</u>	<u>NMTC Debt Maturities</u>	<u>Leveraged Note Receivable Maturities</u>	<u>Net Principal Maturities</u>
2022	\$ -	\$ -	\$ -
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	111,533	75,110	36,423
Thereafter	<u>5,618,467</u>	<u>3,810,527</u>	<u>1,807,940</u>
	<u>\$ 5,730,000</u>	<u>\$ 3,885,637</u>	<u>\$ 1,844,363</u>

Junior Achievement of Tampa Bay, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

NOTE S - CLAIMS AND CONTINGENCIES

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.

NOTE T - RISKS AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China and has since spread to other countries, including the United States of America. In March 2020, COVID-19 was declared a pandemic by the World Health Organization. In addition, the United States of America and the State of Florida have declared a state of emergency in response to the pandemic. The Organization's fundraising and programs have been impacted due to the cancellation of special events, closure of schools, social distancing initiatives and financial impact on the community. It is expected that these impacts may continue for some time and the full financial impact cannot be reasonably estimated at this time.

NOTE U - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2021 as of November 1, 2021, which is the date the financial statements were available to be issued.

In September 2021, the Organization received full forgiveness of \$321,200 on its second draw PPP loan.

SUPPLEMENTARY INFORMATION

Junior Achievement of Tampa Bay, Inc. and Affiliate

REVENUE SUBJECT TO LICENSE FEE

Year ended June 30, 2021

Area ID	111801
Junior Achievement of Tampa Bay, Inc.	
For Year Ended	June 30, 2021

Revenue per audit

Total unrestricted revenue	\$ 3,838,450
Add in prior year pledges - gross	2,215,137
Subtract current year pledges - gross	(1,934,806)
Add special event expenses	69,922

Adjusted total revenue 4,188,703

Subtract

In-kind	(914,161)
In-kind special event (if included in special event revenue)	-
Other income - from statement of activities	(739,543)
Realized/unrealized gains/losses	(69,215)
Investment income	-
Interest	(78,533)
Rental income	-
Pass-through from Junior Achievement USA, if it was exempt from License Fee	(64,343)
Contribution income for improvements to BizTown	-
Actual pledges write-offs	(19,238)

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

*Capital campaign	(314,871)
*Scholarship for higher education	(18,500)

Total subject to license fee \$ 1,970,299

License fee calculated \$ 207,178

(11.5% on first \$1,000,000 | 9.5% on next \$1,000,000 | 7.5% on revenue raised over \$2,000,000)

See accompanying independent auditors' report.

Junior Achievement of Tampa Bay, Inc. and Affiliate
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2021

	JATB	Finance Park	Eliminations	Consolidated Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,772,603	\$ 578,331	\$ -	\$ 2,350,934
Grant and other receivables	242,068	-	(197,621)	44,447
Employee retention credit receivable	215,858	-	-	215,858
Pledges receivable, net of allowance	823,401	-	-	823,401
Prepaid expenses	197,302	19,440	(167,487)	49,255
Total current assets	<u>3,251,232</u>	<u>597,771</u>	<u>(365,108)</u>	<u>3,483,895</u>
LONG-TERM ASSETS				
Investments - scholarships	369,120	-	-	369,120
Investments - other	1,354,541	-	-	1,354,541
Beneficial interest in assets held by others	543,585	-	-	543,585
Long-term pledges receivable, net of allowance	1,111,405	-	-	1,111,405
Other receivables	-	-	-	-
Property and equipment, net of accumulated depreciation	1,962,459	4,858,433	-	6,820,892
Leveraged note receivable	3,885,637	-	-	3,885,637
Total long-term assets	<u>9,226,747</u>	<u>4,858,433</u>	<u>-</u>	<u>14,085,180</u>
TOTAL ASSETS	<u>\$ 12,477,979</u>	<u>\$ 5,456,204</u>	<u>\$ (365,108)</u>	<u>\$ 17,569,075</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Line of credit	\$ 1,000	\$ -	\$ -	\$ 1,000
Accounts payable	27,093	197,621	(197,621)	27,093
Deferred revenue	12,085	172,516	(167,487)	17,114
Accrued expenses	154,020	-	-	154,020
Total current liabilities	<u>194,198</u>	<u>370,137</u>	<u>(365,108)</u>	<u>199,227</u>
LONG-TERM LIABILITIES				
Long-term debt, net of issuance costs	-	5,290,758	-	5,290,758
Note payable - PPP loans	321,200	-	-	321,200
Total long-term liabilities	<u>321,200</u>	<u>5,290,758</u>	<u>-</u>	<u>5,611,958</u>
Total liabilities	<u>515,398</u>	<u>5,660,895</u>	<u>(365,108)</u>	<u>5,811,185</u>
NET ASSETS				
Without donor restrictions				
Undesignated	6,467,955	(204,691)	-	6,263,264
Board designated	1,723,661	-	-	1,723,661
Total without donor restrictions	<u>8,191,616</u>	<u>(204,691)</u>	<u>-</u>	<u>7,986,925</u>
With donor restrictions	<u>3,770,965</u>	<u>-</u>	<u>-</u>	<u>3,770,965</u>
Total net assets	<u>11,962,581</u>	<u>(204,691)</u>	<u>-</u>	<u>11,757,890</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,477,979</u>	<u>\$ 5,456,204</u>	<u>\$ (365,108)</u>	<u>\$ 17,569,075</u>

See accompanying independent auditors' report.

Junior Achievement of Tampa Bay, Inc. and Affiliate

CONSOLIDATING STATEMENT OF ACTIVITIES

For the year ended June 30, 2021

	JATB	Finance Park	Eliminations	Consolidated Total
Public support and revenue				
Contributions				
Corporate	\$ 447,046	\$ -	\$ -	\$ 447,046
Individual	1,053,690	-	-	1,053,690
Foundations	321,839	-	-	321,839
Total contributions	<u>1,822,575</u>	<u>-</u>	<u>-</u>	<u>1,822,575</u>
Special events				
Special events revenue	234,815	-	-	234,815
Contributions derived from special events	275,202	-	-	275,202
Less direct costs of special events	(69,922)	-	-	(69,922)
Net special events	<u>440,095</u>	<u>-</u>	<u>-</u>	<u>440,095</u>
Governmental income	11,216	-	-	11,216
Program revenue	54,999	-	-	54,999
Interest and dividend income	82,155	-	-	82,155
Realized and unrealized gain on investments	374,478	-	-	374,478
In-kind contributions	914,161	-	-	914,161
Other revenue	202,485	340,002	(537,623)	4,864
Total revenue	<u>1,639,494</u>	<u>340,002</u>	<u>(537,623)</u>	<u>1,441,873</u>
Total support and revenue	<u>3,902,164</u>	<u>340,002</u>	<u>(537,623)</u>	<u>3,704,543</u>
Expenses				
Program expenses	<u>3,418,318</u>	<u>-</u>	<u>-</u>	<u>3,418,318</u>
Support services				
Management and general	275,868	537,682	(537,623)	275,927
Fundraising	158,965	-	-	158,965
Total expenses	<u>3,853,151</u>	<u>537,682</u>	<u>(537,623)</u>	<u>3,853,210</u>
Change in net assets from operations	49,013	(197,680)	-	(148,667)
PPP loan forgiveness	321,200	-	-	321,200
Employee retention credits	215,858	-	-	215,858
Change in net assets	586,071	(197,680)	-	388,391
Net assets at beginning of year	<u>11,376,510</u>	<u>(7,011)</u>	<u>-</u>	<u>11,369,499</u>
Net assets at end of year	<u>\$ 11,962,581</u>	<u>\$ (204,691)</u>	<u>\$ -</u>	<u>\$ 11,757,890</u>

See accompanying independent auditors' report.